STATE BOARD OF INSURANCE

ANNUAL REPORT

For the Year Ending August 31, 1989

Paul T. Wrotenbery
Chairman of the Board

Richard Reynolds
Member

Jo Ann Howard
Member

A. W. Pogue
Commissioner of Insurance

STATE BOARD OF INSURANCE

1110 SAN JACINTO AUSTIN, TEXAS 78701-1998

PAUL T. WROTENBERY, Chairman
RICHARD F. REYNOLDS, Member
JO ANN HOWARD, Member

A. W. POGUE, Commissioner
ERNEST A. EMERSON, Fire Marshal
NICHOLAS MURPHY, Chief Clerk

December 8, 1989

The Honorable William P. Clements, Jr.
Governor of Texas
Capitol Building, Room 200
Austin, Texas 78701

Dear Governor Clements:

We are pleased to submit the Annual Financial Report of the Texas State Board of Insurance for the year ended August 31, 1989, in compliance with the General Provisions of the Appropriations Act, Article V, and in accordance with the requirements established by the Comptroller of Public Accounts. This report is also submitted in compliance with Section 12, Article 1.10, *Texas Insurance Code*; and Section b, Article 1.25, *Texas Insurance Code*.

Copies of this report are being filed simultaneously with the State Auditor, State Treasurer, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library and State Library. Members of the Legislature will be notified of the availability of the report as required in Section b, Article 1.25, Texas Insurance Code. The accompanying Annual Financial Report will be audited by the State Auditor as part of the audit of the statewide annual financial report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have questions regarding the contents of this report or affairs of the State Board of Insurance, we will be happy to respond.

Paul T. Wrotenbery, Chairman

Richard F. Reynolds, Member

Jo Ann Howard, Member

A. W. Pogue
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THE STATE BOARD OF INSURANCE

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PART I: REPORTS OF PROGRAM ACTIVITY

Introduction

This section of the State Board of Insurance 114th Annual Report gives a brief summary of major activity of agency programs and divisions during Fiscal Year 1989. Although subsequent refinements and adjustments to the agency organizational pattern occurred, this report reflects the structure of the agency as it existed at the close of the fiscal year (August 31, 1989).

BOARD OFFICES

The State Board of Insurance (SBI) consists of three full-time members appointed by the Governor and serving nonconcurrent six-year terms beginning on the first day of February of each odd-number year. The Board determines agency policy, makes rules, promulgates or approves rates for most property/casualty lines of insurance, hears appeals from rulings of the Commissioner and State Fire Marshal and carries out other responsibilities as directed by the *Texas Insurance Code* and other applicable statutes. The Program consists of the Board Offices, Chief Clerk and General Counsel (Board Administration Activity); Information Services; and Statistical and Rate Development.

Figure 1. Summary of Activity - Board Offices

	FY 88	FY 89
Board Meetings	94	88
Public Hearings	34	33
Board Orders	1,908	1,718
Public Information Presentations (Hours)	506	1,436
Actuarial Analysis Projects Completed	41	49

CHIEF CLERK

Article 1.08, *Texas Insurance Code* states that the Chief Clerk shall have the responsibility of keeping and maintaining all records and proceedings of the Board. In fulfilling duties and responsibilities for the supervision and maintenance of records of all official actions of the Board, the Chief Clerk supervises and is ultimately responsible for the following: (a) maintaining all records and proceedings of the Board; (b) properly posting Board meetings and hearings; (c) giving official or informal notice to parties and persons of Board hearings and meetings; and (d) filing rules and rule changes with the Secretary of State.

The Chief Clerk's responsibilities include:

- Performing legal research and providing the Board with advice on legal and technical problems, with particular emphasis on rulemaking.
- Conducting an ongoing review of the agency's rules and rulemaking procedure.
- Drafting opinion requests, legal briefs and other correspondence.
- Occasionally assisting the Attorney General with cases.
- Assisting in the drafting and editing of proposed legislation.
- Performing other legal work, including attending hearings and meetings.

GENERAL COUNSEL

The General Counsel serves as legal advisor to the Board, attends all Board meetings and hearings, and provides legal advice and research directly to the Board. The General Counsel advises the Board on issues such as ratemaking, appeals from the Commissioner and Fire Marshal, and proposals from the public.

The General Counsel provides support and direction to the Attorney General with respect to Board-related litigation. Preparing briefs and correspondence explaining insurance issues, the General Counsel also assists with interaction between the Board and other government officers and

administrative agencies. The General Counsel monitors federal and other states' legislation and litigation, recommending Board responses when appropriate.

The General Counsel participates in drafting, reviewing, and recommending legislation and advises the Board on the need for legislation and the probable impact of passage of particular bills. The General Counsel may represent the Board in testifying before the Legislature as a resource witness. In addition, the General Counsel works with representatives of other states in drafting model laws that may be proposed in Texas to help achieve uniformity in state regulation of insurance.

The General Counsel assists the Commissioner's staff in interpreting Board regulations and decisions and also serves as the Board representative on agency committees developing administrative legal policy and procedures.

STATISTICAL AND RATE DEVELOPMENT

The Statistical and Rate Development activity consists of three divisions: (1) Property/Casualty Actuarial Division; (2) Base Rate Division; and (3) Closed Claim/Financial Data Division.

Property/Casualty Actuarial Division

This division is responsible for preparing recommendations and advising the Board concerning rate levels for all regulated property/casualty coverages. Seven hearings on promulgated lines were scheduled Fiscal Year 1989. In addition, this division processed 29 company rate filings, primarily for medical professional liability coverage.

Figure 2. Hearings on Promulgated Rates -- Fiscal Year 1989

	Public Hearing Date	Effective Date of Rate Revision
Workers' Compensation	11/01/88	01/01/89
Title	11/16/88	01/01/89
Private Passenger Automobile	01/05/89	06/01/89
Residential Property	01/18/89	06/01/89
Commercial Automobile	01/26/89*	----
Residential Property	08/29/89	03/01/90
Commercial Property	08/29/89	03/01/90

* *Hearing was subsequently postponed and was not rescheduled*

This division also is responsible for collection and analysis of property/casualty ratemaking data and for publication of statistical reports such as the property/casualty hearing exhibits, rate bulletins, the *Property & Casualty Premium and Losses* (Page 14 Report), Instructions for Computer Generation of Auto and Property Insurance Rates and the *Texas Independent Title Insurance Agents Statistical Report*.

Figure 3. Rate Development Statistical Reports Processed

	FY 88	FY 89
Title Insurance Agents	567	545
Title Insurance Underwriters	16	16
Annual Statement Page 14	963	987
Insurance Expense Exhibits	681	678
Product Liability Expense Exhibits	237	231

Base Rate Division

This division is responsible for collecting and auditing some 273,000 unit statistical reports filed by workers' compensation insurers. A separate report containing very detailed payroll, premium, loss and claim information is received annually for each workers' compensation policy. This information is used by the Statistical and Rate Development Activity in the calculation of workers' compensation manual rates and by the Workers' Compensation Division in the calculation of experience rating modifiers.

Closed Claim/Financial Data Division

This is the newest division in the activity. It was established to implement S.B. 2, *Acts of the 70th Legislature*, 1st Called Session. That act requires the Board to collect and compile closed claim and collect financial data filed by insurance companies pursuant to Articles 1.24A and 1.24B, *Texas Insurance Code*. The closed claim reports (filed under Article 1.24B) give detailed information on the final disposition of Texas claims for general and professional liability, commercial auto liability and the liability portion of commercial multi-peril. Working with technicians and data specialists, the division developed reporting forms, computer programs and instructions for the reports which began to arrive in the State Board of Insurance offices on April 10, 1988. *Report of Texas Liability Closed Claim Data* was issued on March 31, 1989.

INFORMATION SERVICES

This activity furnishes a wide variety of information to the agency and the public. Information Services maintains contacts with the trade press and Texas news media to notify them of Board actions and to answer questions; provides staff support to members of the Board relating to the National Association of Insurance Commissioners (NAIC) and serves as agency liaison for the NAIC; conducts research as assigned; prepares articles and speeches for presentation to public, industry and regulatory forums; researches, drafts, designs and edits consumer-oriented material; writes, typesets and edits the agency's monthly newsletter for employees, *The Bulletin Board;* and coordinates publication of the agency annual report and similar projects. Among the activities of Information Services in Fiscal Year 1989 were the following:

- Coordinated and served as liaison for three management studies commissioned by the Board. The results of the studies produced three reports that were finalized in May 1989. (*Agency Administrative Operations*, Touche Ross; *Financial Oversight and Regulation and the Early Warning System*, Coopers and Lybrand; and *Complaints and Enforcement Study*, Anderson Consulting).

- Acted as liaison for a study of workers' compensation experience rating commissioned by the Board in Fiscal Year 1988. A report titled *Texas Workers' Compensation Insurance Rating Plan* was delivered to the Board on January 31, 1989. It presented an analysis of the Texas experience rating formula, assigned risk surcharge formula and the effectiveness of workers' compensation pricing in promoting worker safety and loss prevention.

- Designed and programmed an automated fiscal note process for estimating the cost of proposed legislation and trained State Board of Insurance employees in use of the automated system.
- Issued 48 press releases and prepared 19 speeches for public forums or testimony to be presented at legislative hearings.
- Began issuing monthly lists of Commissioner's disciplinary actions.
- Collaborated, with the Advertising Section, in issuance of list of organizational names used in lead card materials. The list was distributed to the media and to insurance regulators in other states.
- Coordinated production of a 30-second television public service announcement and radio public service announcements (PSAs) on Medicare coverage changes as the result of the federal *Medicare Catastrophic Care Act of 1988*.
- Researched historical trends in Texas insolvencies.
- Made a presentation, in collaboration with the Management Information Services Activity, on the Texas Early Warning System before the American Risk Insurance Association.
- Provided drafting assistance in development of early warning guidelines and criteria by consolidating information from various divisions of the agency.
- Initiated a two-month study of the potential impact of mandating workers' compensation coverage in Texas. The preliminary report, given to Governor Clements on October 26, 1989, was developed with assistance from the University of Texas School of Finance and the Statutory Implementation Activity.
- Prepared a report entitled, *Medical Professional Liability Insurance in Texas: An Overview*. The report was delivered to Speaker of the House Gib Lewis on March 24, 1989.
- Assisted in development of a closed claims form which will be used by the National Association of Insurance Commissioners (NAIC) in a study being performed for them. The reporting form will also serve as a model for individual states.
- Developed profit factors reflecting investment income which are used by the Statistical and Rate Development staff in automobile, property, workers' compensation, title and general liability rate cases. Information Services also provided supporting testimony during the rate hearings.
- Provided information to the Legislature on the results of a survey of insurers regarding underwriting and marketing of coverage for chemical dependency coverage.
- Wrote two articles for the *Journal of Insurance Regulation* summarizing research reports on AIDS and medical professional liability insurance.
- Published and distributed approximately 50,000 copies of three new consumer brochures, *List of State Board of Insurance Publications; Shopper's Guide to Long Term Care Insurance In Texas;* and *Shopper's Guide to Medicare Supplement Insurance in Texas*.
- Revised, updated and reprinted three brochures: *A Consumer Guide, Understanding the State Board of Insurance, Employment Opportunities with the State Board of Insurance,* and *Questions and Answers About Workers' Compensation Insurance in Texas*.
- Participated in a number of in-house committees and/or working groups, including drafting committee for a proposed agency ethics policy; Open Records Committee; Task Force on Insurance Needs of Older Texans; and Executive Planning Team.
- Assisted in drafting an agency smoking policy.
- Worked with the Property Activity to provide support for the committee changed with development of a readable homeowners insurance policy *(Board Order 54929)*.

COMMISSIONER'S OFFICE

The Commissioner of Insurance is appointed by the Board as the agency's chief executive and administrative officer and is given the responsibility not only for management of the agency but for enforcing the *Texas Insurance Code* and the rules and regulations promulgated by the Board.

During the course of the year, seven studies of agency operations were conducted by three Big Eight consulting firms, the State Auditor and others. From these studies the Board and Commissioner received 220 recommendations on agency management, human resources, and use of automated technology, computers, telecommunications and other electronic media. Of the 220 individual recommendations, 35 percent have been implemented. It is expected that another 25 percent will be implemented by the end of Fiscal Year 1990 and 11 percent by the close of the 1990 - 91 Biennium.

In addition, the Commissioner initiated an agencywide strategic planning process and made a number of agencywide organizational changes. Some of the most sweeping changes in the agency during Fiscal Year 1989 occurred in the structure of the Commissioner's Office. Key operational divisions dealing with budget and planning were pulled under the day-to-day supervision of the Commissioner and two deputies reporting directly to the Commissioner were given responsibility for management of the agency's human and information resources. In addition, the Liquidation and Conservation division, previously part of the Financial Program, were moved under the Commissioner's direct command and a specialized unit to coordinate agency early warning activities was created.

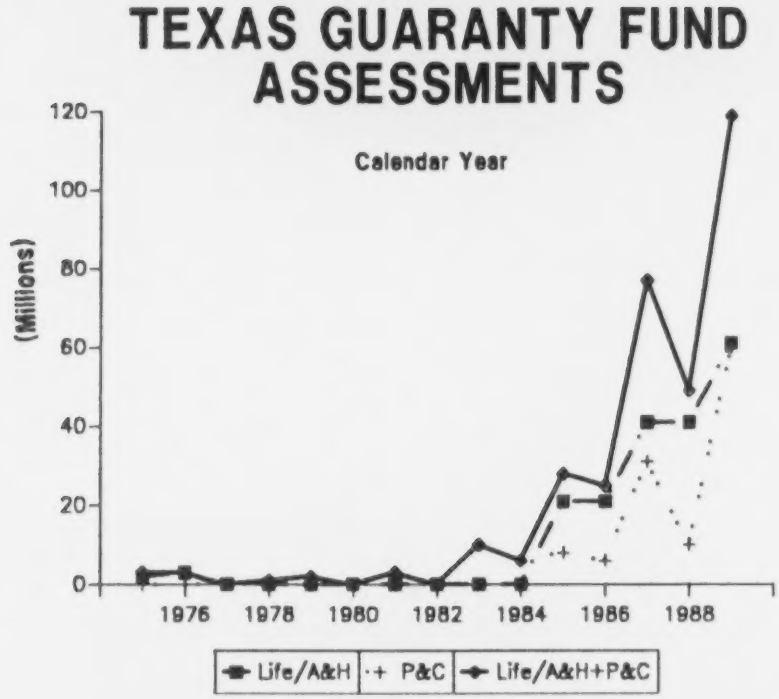
Figure 4. Summary of Activity - Commissioner's Office

	FY 88	FY 89
Commissioner's Orders/Actions	3,377	4,911
Commissioner's Conferences	914	1,186

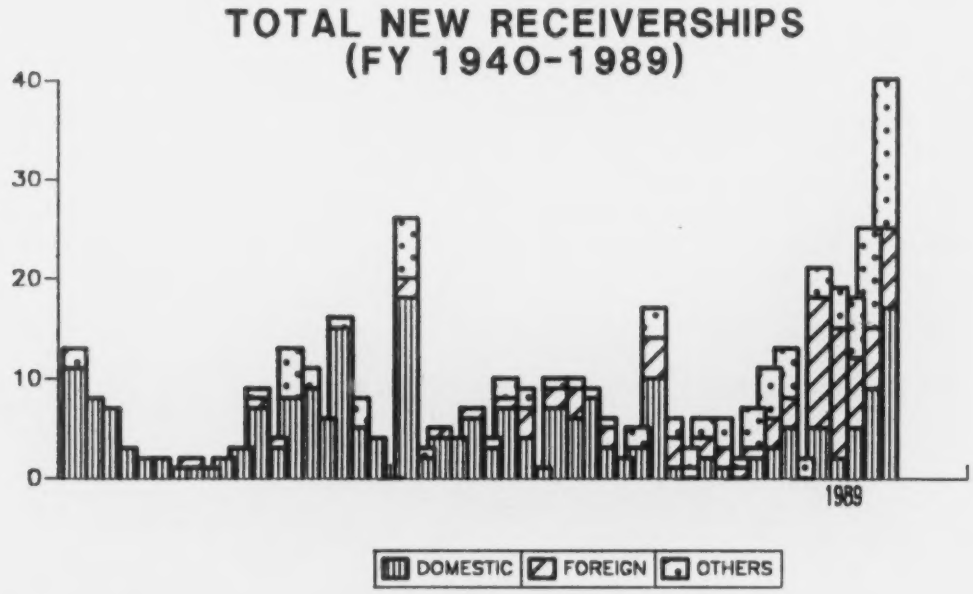
LIQUIDATION

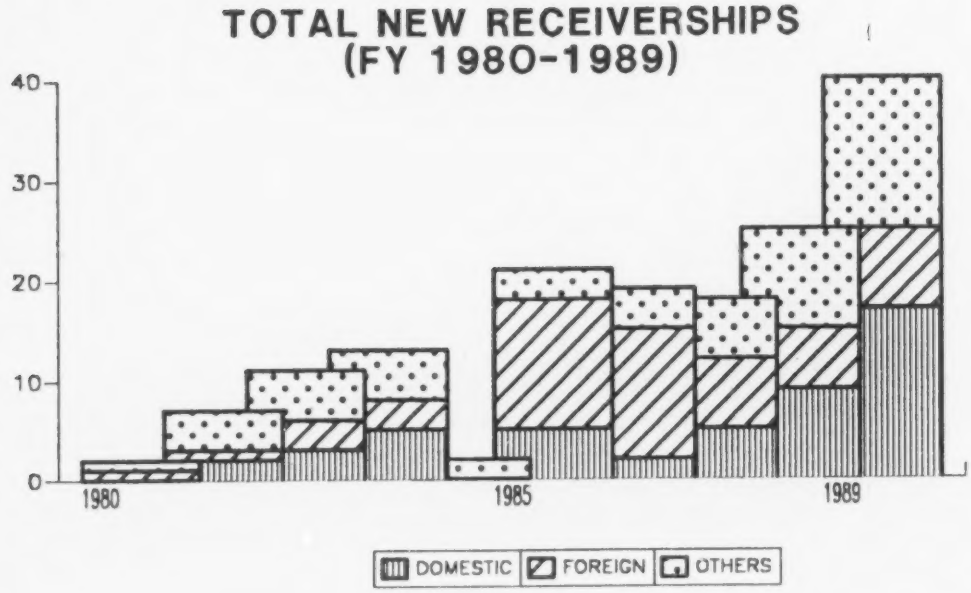
The Liquidator for the State Board of Insurance is the designated Receiver whenever a court finds that a receiver should take charge of the assets of an insurer doing business in this state. The Liquidator/Receiver, as set forth in Article 21.28 of the *Texas Insurance Code*, "takes such steps as may be necessary to conserve the assets and protect the rights of policyholders and claimants for the purpose of liquidating, rehabilitating, reinsuring, reorganizing, or conserving the affairs of the insurer" subject to the directions of the court.

The Liquidator/Receiver also performs duties with respect to the administration of covered claims against the *Texas Property and Casualty Insurance Guaranty Act* (Article 21.28C, *Texas Insurance Code)*, the *Life, Accident, Health, and Hospital Service Insurance Guaranty Association* (Article 21.28D, *Texas Insurance Code)*, and the *Texas Title Insurance Guaranty Act* (Article 9.48, *Texas Insurance Code)*. These acts are designed to provide funds (in addition to the assets of insurers in receivership) for "covered claims" as defined in each of the guaranty acts. The assessments of insurers necessary to pay these claims have accelerated since 1986.



The Liquidation Activity, under the direction of the Liquidator/Receiver, consists of the following sections: Administrative Services; Auditing; Data Processing; Fiscal Services; Legal Services; Property and Casualty Claims; and Accident and Health.





The number and size of insurance insolvencies have increased dramatically through the country since the mid-1980's. Nationally, the number of multi-state carriers placed in receivership averaged five per year between 1969 and 1983. The number of multi-state insolvencies reached 19 in 1984 and grew each year thereafter, increasing to 29 in 1988. Texas has experienced a similar trend. From 1980 to 1984, a total of 35 new receiverships were opened in Texas. Ten of those receiverships were insurers domiciled in Texas, eight were foreign insurers and 17 were non-insurers such as agents or unauthorized operations. Receiverships instituted during the five subsequent years (1985 to 1989) totaled 123, of which 38 are Texas-based companies, 47 foreign insurers and 38 non-insurers. This surge in receiverships pointed out a number of trends including:

- A significant increase in guaranty fund liabilities and subsequent assessments. The 13 companies with guaranty fund coverage that were placed into receivership in 1985 averaged $2.1 million in guaranty fund liabilities and expenses each. The 21 estates opened in 1989 which had guaranty fund coverage produced an average guaranty fund exposure of $9 million each.

- A succession of insolvencies of Texas-based insurers writing sub-standard automobile coverage. The trend starting with Best Lloyds in mid-1988 and continuing with National County Mutual Fire Insurance Company, North American Lloyds and First Southwest Lloyds.

- A comparable increase in non-guaranty fund covered insolvencies handled by the Liquidation Division. The entities in this category include unauthorized and surplus lines insurers, agencies, title agents, health maintenance organizations and other miscellaneous types of entities. Thirty-eight such entities were placed into liquidation from 1985 to 1989 compared to 17 for the prior five-year period.

A record total of 40 receivership proceedings were ordered by Travis County district courts in Fiscal Year 1989. Fourteen receiverships were closed resulting in a total of 157 active receiverships on August 31, 1989. Additional information about he operations of the Liquidation Division and financial reports on active estates and administration of guaranty funds is contained in Part III of this report.

CONSERVATION

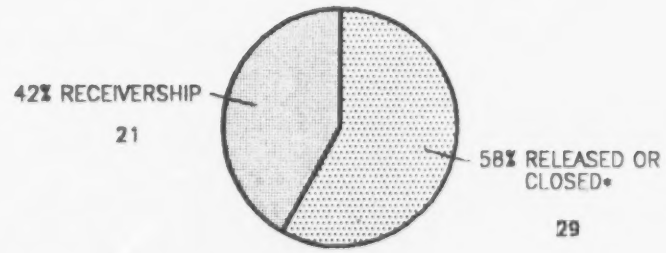
Texas insurance law directs the State Board of Insurance to take appropriate actions in attempting to rehabilitate a troubled insurance company, agent or other entity. There are several measures the agency can use to reform such troubled entities; however, the strongest rehabilitation tools available to the Commissioner are supervision or conservatorship. These administrative processes are defined by Article 21.28-A, *Texas Insurance Code*.

When an insurance entity is placed in supervision, certain financial transactions must be approved by the appointed Supervisor before the transaction can be consummating. When a Conservator is appointed, he is commissioned to "take charge" of the company and to run its operations subject to the automatic stay provisions of the law.

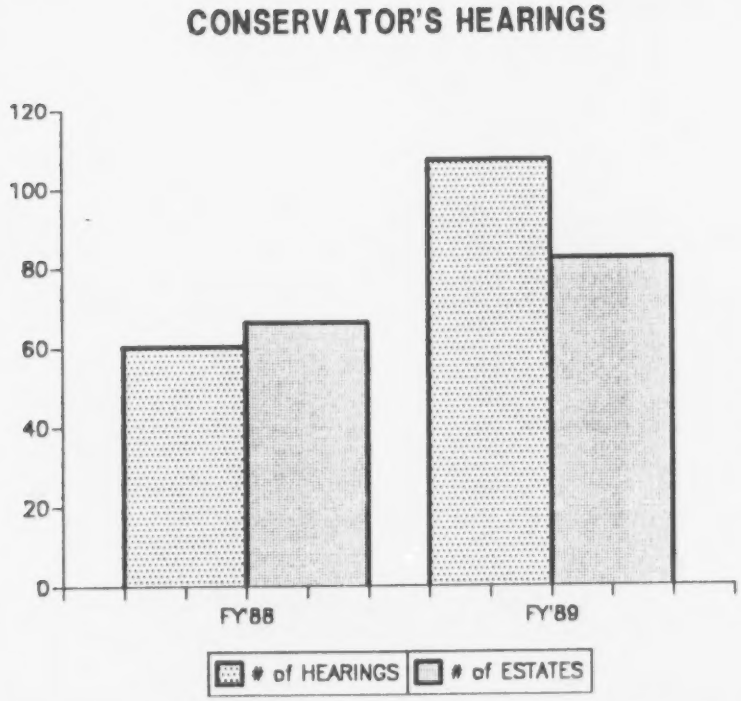
During Fiscal Year 1989, the Commissioner placed 44 insurance entities into supervision. Sixteen of these subsequently went into conservatorship. Five companies were placed into conservatorship without going through a state of supervision.

During the year, 24 entities were successfully rehabilitated and three agencies dissolved. Twenty-one entities were sent to receivership. One unauthorized operation and one surplus lines agent filed bankruptcy proceedings. At the onset of Fiscal Year 1989, there were 33 entities under supervision or conservatorship orders. At the conclusion of Fiscal Year 1989, there were 32 active cases.

CONSERVATION OF COMPANIES
FISCAL YEAR 1989



*** Includes estates which ceased business or filed bankruptcy thus representing no costs to Guaranty Funds or Taxpayers**



Significant changes in the law governing supervision and conservatorship were contained in S.B. 255, *Acts of the 71st Legislature*. The most significant changes are (1) time constraints within which to rehabilitate an entity in supervision and conservatorship; (2) a requirement to protect the pecuniary interests of agents of record when rehabilitating through reinsurance treaties; (3) less latitude in determining whether to make a state of supervision known to the public; and (4) a requirement for newspaper publication of notices of all companies placed in conservatorship.

HUMAN RESOURCES

The creation of a separate Human Resources Activity to coordinate all of the personnel and staff development functions necessary to assure the agency has a trained, effective and motivated work force was one of the most important organizational changes in the agency during Fiscal Year 1989. This new activity is organized into four divisions: (1) personnel, (2) equal employment opportunity (EEO), (3) staff development and (4) employee benefits.

Personnel

The impact of the growth in agency staffing continued to be felt directly in the Personnel Division during Fiscal Year 1989 with 46,500 employment applications filed for 544 posted positions to fill new jobs or vacancies in agency work force. In addition, this division processed 102,177 employee record transactions, which include payroll actions, time cards, evaluations and employment certifications. To handle the paper load, the Personnel Division has been working on a number of data automation projects including on-line personnel applicant tracking, an archive program for applicant tracking outline payroll tapes, and improvements to the system for tracking compensatory-time and resolving discrepancies.

Equal Employment Opportunity

This division ensures a fair and open workplace through the administration of the agency affirmative action program. This program assures compliance with federal guidelines while providing assistance in employment recruiting programs and employee and manager consultation and training.

Staff Development

One of the key issues raised in recent studies of agency operations was the need to establish effective training and development programs to assure that agency staff have the knowledge necessary to perform. To that end, the Staff Development Division has begun implementation of the long range plan developed during Fiscal Year 1988 and has worked to incorporate recommendations from the consultant studies into that plan.

As a result the Board has increased its commitment to management education by participation in the Texas State Management Development Center Program, undertaken a written communications training effort and begun revisions of the tuition reimbursement policy. While continuing to maintain the on-site college courses offered through Austin Community College, the Board has agreed to expand the on-site program to include courses offered by Southwest Texas State University's Masters in Public Administration and Lawyers' Assistant program.

Although the need for outside seminars and professional conferences continues, Staff Development has worked to reduce the costs associated with these external activities by overseeing and coordinating the registration process and by negotiating group discounts. The division has worked actively with local training organizations (American Society for Training and Development and Intergovernmental Training Council) and the Human Resources Development Coordinating Committee to share resources and maximize effectiveness.

In addition to its continuing effort to implement the long range plan and consultants' recommendations, the Staff Development Division began building a network of internal training liaisons, actively promote insurance courses that lead to professional credentials (Life Office Management Association and Chartered Property Casualty Underwriter), develop in-house management and insurance training study groups and provide procedural training as new policies and procedures are introduced. A new employee orientation program is in planning stages.

Employee Benefits

The employee benefits division manages compensation programs for the State Board of Insurance by providing employees with information on state employment benefits such as the Uniform Group Insurance Program, the state employee retirement program and other payroll deduction programs.

MANAGEMENT INFORMATION SYSTEMS

Management Information Systems, comprised of the Data Processing and Early Warning activities, was created in November 1988 to improve early detection of hazardous operating conditions in insurance companies and other regulated entities and to develop automated systems to support this effort.

Early Warning

The purpose of early warning is (1) to identify, at the earliest possible stage, insurance companies that may be financially troubled, and (2) to initiate corrective action to protect the policy holders, claimants and creditors from financial loss. The importance of this function was emphasized in many of the studies of agency operations conducted from January through May of 1989. Twenty-six percent of the recommendations in the seven studies dealt with early warning.

Key early warning achievements during Fiscal Year 1989 include

- implementation of a micro-computer based early warning information system to collect data from 14 agency data sources and the Industrial Accident Board for a "watch list" of companies and other regulated entities,
- production of bi-monthly reports used by the Early Warning Management Group (EWMG) which consists of 12 agency managers who meet with the Commissioner twice a month to discuss troubled companies and other matters related to the development of early warning, and

- publication of an *Early Warning Information Systems Procedure Manual* adopted by the EWMG.

Early Warning Division staff members also participated in drafting portions of the National Association of Insurance Commissioners (NAIC) *Troubled Company Handbook*, and working on other NAIC committee assignments. During the summer of 1989, staff worked with Information Services to prepare a presentation for the American Risk Insurance Association on the State Board of Insurance early warning model, and with Market Conduct on the use of complaints statistics as a predictor of hazards operating conditions.

The further development of early warning support systems has been impeded due to lack of funding necessary to support the following critical phases of the system:

- development of automated financial analysis system which includes the hardware/software required to access the annual statement data from NAIC, the network capabilities to exchange data internally, and the automated annual statement data collection system.
- development of License/Early Warning interface.
- development of Market Conduct/Early Warning interface.

Data Processing

The Data Services Division of the State Board of Insurance is the center of the agency's automation efforts through long range planning, application development, training, consultation, evaluation of vendor products and maintenance of the agency mainframe and support systems.

In concert with the focus on early warning, Data Services Division developed a strategic plan encompassing all aspects of automation at the agency. This plan outlines the priority projects to which the Data Services staff will be committed over the next two years and specifically outlines how the division will contribute to agency priority projects. The *Automated Information and Telecommunications System (AITS)* long range plan is on file with the Department of Information Resources.

Major accomplishments for the Data Services Division in Fiscal Year 1989 include the following:

- Expanded availability of the Company License System which enables the agency to store and subsequently retrieve descriptive and historical details of insurance companies. Information is maintained for every company that has ever been licensed to conduct business in the State of Texas.
- Programmed Agents License System mainframe interface for the agency contract with Educational Testing Services (ETS).
- Programmed all the remaining semi-automated and manual agents license files for: Managing General Agent; Surplus Lines; Non-Resident Property & Casualty; Title Insurance; Escrow Officer; Direct Operation (Title); Prepaid Legal Services; Health Maintenance Organizations; Insurance Adjusters; Liability Risk Manager; and Premium Finance Company.
- Developed an on-line data capture system for the annual premium and maintenance taxes for fire and life companies and a subsystem to capture quarterly premium taxes.
- Automated cash receipts clearance and history of clearances for quarterly and annual premium taxes.
- Enhanced the on-line Complaints Tracking System which enables the agency to log and track consumer complaints against insurance companies. Batch processing for reports, automatic letter generation and agent license access were added to the system.
- Implemented system to maintain inspection information on all buildings that border the Gulf Coast to generate Certificate of Compliance for each inspected building.
- Enhanced tax protest clearance by adding company number and fund number.

- Converted computer programs to interface with the new data entry TARTAN system.
- Continued to work on the project to allow filing of workers' compensation statistical reports on tape including completion of the preliminary reports requirement for a system to accept and process tape data. In Fiscal Year 1989, six insurers met all test requirements, and filed 15,000 cards electronically. Additionally, five insurers paralleled the system and it is estimated that some 4,500 additional cards will be filed electronically.
- Improved monitoring of computer resource utilization.
- Provided agencywide support to an ever-increasing number of on-line users. On-line inquiries increased from an average 86,000 to 100,000 per day during the year.
- Reduced on-line response time by a factor of eight.
- Designed and implemented text databases for Board Orders and the *Texas Insurance Code*.
- Designed and installed Local Area Networks (LAN) in Company Conservation; Data Processing; and Budget & Internal Audit.

STATUTORY IMPLEMENTATION

Statutory Implementation, which serves as agency liaison to the Legislature, is responsible for review and analysis of all insurance-related legislation, preparation of fiscal notes and coordination of testimony and information relative to legislative recommendations made by the Board as required by Article 1.25, *Texas Insurance Code*. During Fiscal Year 1989, the activity:

- Researched, drafted, edited and published a 20-page report titled *"Recommendations by the State Board of Insurance to the 71st Texas Legislature -- 1988"*,
- Assisted in drafting and other support required by the Legislature in connection with bills developed as the result of these recommendations. Of the ten proposals recommended by the Board, eight were enacted into law during the regular session of the 71st Legislature and one was enacted during the First Called Session.
- Prepared 248 fiscal notes on 207 bills and one resolution, 110 of which had some fiscal impact on agency operations;
- Tracked 977 pieces of legislation which affected agency operations or administration or matters under the jurisdiction of the Board;
- Coordinated a total of 424 appearances before committees by agency staff as resource witnesses requested by members of the Legislature; and
- Compiled assembled, indexed and published the largest ever edition of *"Insurance-Related Legislation"*. The publication contained 196 laws enacted by the Legislature. It consists of 2,376 pages in four-volumes.

In the interim between legislative sessions, the activity will monitor agency-wide efforts to assure that all legislative directives are implemented. The effort involved design in Fiscal Year 1989 of a comprehensive implementation plan for major legislation used to advise the Board and Commissioner on those enactments that require new or amended rules or regulations.

PLANNING AND BUDGET

For the first time in its 114-year history the State Board of Insurance embarked in Fiscal Year 1989 on a strategic planning process that led to development by an executive management team of an agency mission statement and nine goals from which the priorities and activities of the agency will be directed in the 1990-91 Biennium. The importance of strategic planning led to establishment of a separate activity charged with the responsibility for coordinating agency planning and budget in the coming years.

To aid in this process the Budget Division prepares the biennial *Legislative Appropriations Request* and semiannual *Performance and Fund Management Reports* required by the Legislative Budget Board and Governor's Budget Office. The division is also responsible for development of the agency *Annual Operating Budget* and is charged with the responsibility for assisting in fiscal planning and financial forecasts by monitoring monthly agency expenditures and developing appropriate projections.

INTERNAL AUDIT

The Internal Audit Activity is a management control which functions by examining and evaluating the adequacy and effectiveness of internal controls established by agency management. Internal Audit reports administratively to the Commissioner of Insurance and functionally to the Board and Commissioner.

Most efforts during the fiscal year were concentrated on investigations. Internal Audit assisted in the administrative inquiry of the agency and investigated allegations regarding conduct of agency employees. As a result of investigative activity, Internal Audit made recommendations to improve agency controls and operations. During the fiscal year, Internal Audit completed and reported on 40 audits/investigations.

Internal Audit also served as the agency's liaison with the State Auditor for various financial related and performance audits. Internal Audit will follow up on recommendations of the State Auditor to see if agency management implemented the recommendations or took alternative courses of action.

HEARINGS

The Hearings Activity conducts hearings for the Commissioner and State Fire Marshal in all contested cases filed under the *Administrative Procedure and Texas Register Act*, as well as specific cases for the Board.

During Fiscal Year 1989, the activity increased the number of hearings held by 48 percent and reduced substantially the time between the close of a hearing and the issuance of a final order. The average time between the close of a hearing and the issuance of a final order decreased 21 percent in Fiscal Year 1989 to 29.45 days.

All of the hearings are electronically recorded. Hearing reporters stenographically reported and transcribed 159 Commissioner's hearings, 71 Board hearings and 17 Fire Marshal's hearings. In all, 20,688 pages of testimony were transcribed, an 18 percent increase over Fiscal Year 1988.

Figure 5. Summary of Activity - Hearings

	FY 88	FY 89
Hearings Conducted for the Commissioner	834	1,137
Hearings Conducted for the Board	46	122
Hearings Conducted for the Fire Marshal	2	17
Total Hearings Conducted	862	1,276
Commissioner's Hearings Transcribed	125	159
Board Hearings Transcribed	47	71
Fire Marshal's Hearings Transcribed	1	17
Pages Transcribed	17,484	20,688

Figure 6. Commissioner's Hearings by Type - Fiscal Year 1989

	FY 88	FY 89
Disciplinary	363	621
License Applications	174	135
Applications for Certificates of Authority	24	73
Charter Amendments	86	77
Acquisitions	75	63
Merger and Reinsurance	23	41
Application for Exempt Filing	18	10
Supervision	66	102
Home Office Re-Evaluation	3	0
Application to Withdraw State Deposit	2	0
Grievances	0	15
TOTAL	834	1,137

The Hearings activity maintains docket sheets and cases files, including all exhibits introduced at the hearings, for each case heard. Cross indexes provide access to information on each case. Transcripts also are filed and are available for inspection by the public.

ADMINISTRATIVE SERVICES

To a great extent, the efficiency, effectiveness and economy with which other divisions of the agency are able to deliver services, depends on the support they get from technicians and specialists in the Administrative Services Program. In addition to operational functions such as accounting, purchasing and supply, this program houses the agency's centralized tax collection function.

One of the projects affecting this program during the fiscal year was work with State Purchasing and General Services Commission (SPGSC) on needs of an assessment for a new headquarters facility for the agency as authorized by statute. Managers throughout the agency were asked to provide information to assist SPGSC in development of specifications for the planned facility. Work has also progressed on plans for a new agency warehouse facility expected to be completed in early 1991.

ACCOUNTING AND TAX COLLECTION

As the name indicates, the primary functions of this activity are related to bookkeeping and accounting services for agency records and collection of insurance-related taxes and certain fees.

Accounting

This division is responsible for the creation and maintenance of all agency financial records and ensuring compliance and accountability with applicable statutes, regulations and guidelines. Accounting duties include processing travel and purchase vouchers, monthly account reports and budget registers; monthly examination and annual overhead assessment billings; calculating maintenance tax rates and annual overhead assessment and premium finance assessment rates; performing custodial duties on statutorily required deposits under Article 3.16, *Texas Insurance Code;* and preparing Part V of the *State Board of Insurance Annual Report.* In addition, the processing of all monies received by the agency is performed by the Accounting Division.

During Fiscal Year 1989, Publication Section was transferred to the Staff Services and the Payroll and Benefits Section was transferred to the newly organized Human Resources Activity.

Tax Collection

This division is responsible for administration and the collection of all premium taxes, maintenance taxes, surtaxes, retaliatory taxes, assessments, and certain fees such as valuation and filing of annual statement fees. Additionally, division staff audits tax returns; determines validity of investments, as they relate to the correctness of tax rates and tax liabilities; calculates quarterly and annual tax returns and reconciles quarterly tax prepayments; and allocates tax payments to appropriate funds. Tax Collection also is responsible for extending and monitoring certain tax credits and offsets such as examination expenses and guaranty fund assessments; initiation and maintenance of protest payments data; corresponding with companies concerning discrepancies on tax returns and amounts paid; correlating protest tax information with staff attorneys and representatives of the Office of the Attorney General in tax-related lawsuits and other matters; processing refunds for overpayment of taxes; and coordinating tax information with other states.

Six tax examiners are part of the Tax Collection Division. Their primary job is to audit, examine and analyze tax returns and tax records of insurers in the carriers' office to ascertain that the taxes, surtaxes, retaliatory taxes and maintenance taxes due the state have been correctly reported, calculated and paid.

Tax, fee and assessment statutes under the jurisdiction of this division are as follows:

1. Article 4.10, *Texas Insurance Code:* Gross premium taxes paid by property/casualty insurers. Taxes are collected on a quarterly basis with balances due with annual tax returns. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

2. Article 4.11, *Texas Insurance Code:* Gross premium taxes paid by life, accident & health insurers. Taxes are collected on a quarterly basis with balances due with annual tax returns. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

3. Article 20A.33, *Texas Insurance Code:* Taxes on the gross amount of revenues collected for issuance of health maintenance certificates or contracts issued by health maintenance organizations. Taxes are collected in accordance with Article 4.11, *Texas Insurance Code.* Collection from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

4. Article 4.11A, *Texas Insurance Code:* Administrative services tax on each insurance carrier or person which receives any form of administrative or service fee, consideration, payment, premium fund, reimbursement or compensation for performing or providing any service, function or duty; or acting in any administrative, clerical, management, advisory or technical capacity; or providing any claims or expense review, service administration, management, payment, indemnification or reimbursement with respect to a plan, whether under an administrative services contract to be performed in Texas or on behalf of persons located in Texas or for risk in Texas. The tax is subject to certain limitations, exemptions and exclusions. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

5. Surtax: Articles 4.10 and 4.11, *Texas Insurance Code* were amended by H.B. 61, *Acts of the 70th Legislature, 2nd Called Session* to add a temporary two-year 20 percent surtax to property/casualty and life insurance gross premiums taxes already being collected. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

6. Article 21.46, *Texas Insurance Code:* Retaliatory taxes and fees filed with the tax returns of foreign or alien companies licensed to do business in Texas. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

7. Article 1.14-1, *Texas Insurance Code:* This statute provides for the collection of unauthorized and independently procured insurance taxes and surtaxes from persons who acquire insurance directly from a carrier not licensed to do business in this state. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

8. Article 1.14-2, *Texas Insurance Code:* This statute provides for the collection of taxes and surtaxes on business exported under the state surplus lines statute. Surplus lines agents are responsible for filing these taxes with the Board. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

9. Article 21.54, *Texas Insurance Code:* Establishes taxes to be collected on the gross premiums of risk retention groups and purchasing groups. Premium tax revenues under this statute are deposited to Fund 001, the General Revenue Fund for the State of Texas.

10. Maintenance Taxes & Fees for the SBI: Eight separate taxes are established to support the operation of the Board (Articles 4.17, 5.12, 5.24, 5.49, 5.68, 9.46, 20A.33 and 21.07-5, *Texas Insurance Code).* Historically, maintenance taxes to support State Board of Insurance operations were levied on gross premiums of property/casualty insurers. However, H.B. 2022, *Acts of the 70th Legislature,* added maintenance taxes on gross premiums of life, accident & health insurance coverages and the gross considerations of annuity and endowment contracts and established a "per capita" maintenance tax on gross revenues for issuance of health maintenance certificates or contracts. Maintenance taxes are deposited into Operating Fund 036 to support agency operations.

11. Article 8306, *V.T.C.S.:* This tax is assessed on gross workers' compensation premiums for the support of the operation of the Industrial Accident Board (IAB).

12. Filing Fees: Certain statutory filing fees are enumerated and remitted with annual tax returns. Maximum fees are found in Articles 4.07 and 20A.32, *Texas Insurance Code* and are deposited in the State Board of Insurance Operating Fund 036 for support of agency operations.

13. Article 1.35B, *Texas Insurance Code:* This statute imposes an assessment for the Division of Consumer Protection. The assessment of 5.7 cents for each property/casualty insurance policy

in force at the end of the year is remitted with annual tax returns. It is deposited in a special account of the General Revenue Fund to support the operations of the Consumer Protection Division.

The work of the Tax Collection Division in Fiscal Year 1989 has been affected by the number of lawsuits pending against the state in relation to the gross premium taxes collected under Article 4.11, *Texas Insurance Code;* the administrative services tax collected under Article 4.11A, *Texas Insurance Code;* and the retaliatory tax collected under Article 21.46, *Texas Insurance Code.* Since 1985, more than $489 million was shown to have been paid in protest regarding these statutes. In Fiscal Year 1989, one large case was settled, which resulted in the State of Texas retaining $104 million paid in protests with refunds to carriers of $26 million. Additional information on tax collection and other revenues can be found in Part V of this report.

Figure 7. Comparison of Active Maintenance Tax Rates by Percentage for FY 1982 - 1989

Description	Max. Rate Permitted	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Motor Vehicle Ins.	.2	.026	.027	.029	.024	.028	.019	.058	.067
Fire Ins.	1.25	.456	.357	.478	.458	.463	.523	.406	.729
Workers' Comp. Ins.	.6	.180	.168	.259	.229	.303	.361	.180	.163
Casualty Ins.	.4	.118	.108	.152	.075	.068	.027	.207	.343
Title Ins.	1.0	.061	.039	.061	.020	.033	.083	.122	.156
Life Ins., A & H	.04	---	---	---	---	---	---	.032	.032
Third Party Admin.	1.0	---	---	---	---	---	---	1.0	1.0
HMO	$2.00*	---	---	---	---	---	---	$1.10*	$.98*
Prepaid Legal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	---	1.0

* *Per Enrollee*

Figure 8. Schedule of SBI Maintenance Tax Revenues 1988 - 1989

Maintenance Tax	1988 Revenue	1989 * Revenue	Difference
Motor Vehicle Ins.	$ 3,138,466	$ 3,486,827	$ 348,361
Fire Ins.	12,092,139	19,708,552	7,616,413
Workers' Comp Ins.	4,456,693	4,537,053	80,360
Casualty Ins.	3,269,704	7,328,795	4,059,091
Title Ins.	409,451	475,533	66,082
Life Ins., A & H	3,181,037	3,386,741	205,704
Third Party Admin.	143,238	487,793	344,555
HMO	1,214,223	1,326,208	111,985
TOTALS	$27,904,951	$40,737,502	$12,832,551

* *Includes semi-annual payment due 9-15-89. Balance reflects total collected as of 10-31-89.*

STAFF SERVICES

Within the Staff Services Activity there are six divisions that provide the day-to-day support services for the agency.

Purchasing

The Purchasing Division is responsible for the procurement of goods and services for agency employees. In Fiscal Year 1989, this division processed 2,463 purchase orders totaling $2,852,385. Although a number of factors contributed to more than a 32 percent decrease in the number of orders issued from the previous year, one factor was the purchasing staffs' efforts to reduce costs by consolidating orders, taking advantage of volume discounts and reducing reliance on small spot purchases.

A major goal for the Purchasing Division during this past year was to establish ongoing lines of communication with users to improve the level of service available. As a part of this process, the Purchasing Division developed and presented training to approximately 150 agency staff concerning purchasing procedures during Fiscal Year 1989.

Additional responsibilities assumed by this section in the past year include providing typesetting/desk-top publishing services and coordinating agency contracts.

Supply/Maintenance/Warehouse

This division is responsible for warehousing and distributing the agency's purchased goods and invoicing and voucher preparation for all goods and services received. Personnel in this area are also responsible for conducting the yearly capital assets inventory and scheduling and coordinating all of the agency's office and equipment moves.

Telecommunications responsibilities carried out by this area include coordinating all telephone equipment changes, orders and moves and providing long distance and regular line usage reports to managers to assist in telephone cost controls. During the past year, this division assumed increasing responsibilities for providing technical assistance in securing voice telecommunication services and equipment for the agency.

The maintenance staff of this division is responsible for advertising and awarding contracts to cover maintenance for all of the agency's equipment and facilities as well as maintaining the agency's capital assets inventory which encompasses 3,680 items at a value of $15,196,320.37.

Reproduction

This division is responsible for reproduction of the agency's forms, manuals and handbooks. Increased productivity in this area has resulted in a reduction in response time of more than 10 percent over the previous year while utilizing 33 percent fewer people. Procedures have also been implemented to reduce waste, ensure quality control and to standardize agency forms.

Mail Distribution Center

The Mail Distribution Center is responsible for processing all of the agency's incoming and outgoing mail (postal, inter-office, inter-agency and U.S. Postal Service). To expedite mail processing within the agency, the Mail Distribution Center instituted several changes in Fiscal Year 1989 including: (1) establishing mail-coding system; (2) arranging for nine of the agency's high volume users to get post office boxes; and (3) implementing procedures to ensure all mail is processed the same day it is received.

Cost saving changes instituted during the past year include using zip-plus and presorting to achieve the maximum discount available for mail processing, increased utilization of lowest cost overnight mail carriers, and consulting with divisions to design forms and plan large mailouts to take maximum advantage of the lowest cost postage rates. As a part of the Mail Center's cost control inflations, a mail accounting system has also been implemented to provide feedback to agency departments on postage costs.

Micrographics

The Micrographics Division provides a number of agency departments with microfilming-related services. These services involve the conversion and maintenance of active record systems and the archiving of inactive files. Actual tasks performed involve microfilm system design, document preparation, filming, processing, duplication, jacketing, editing, filing and retrieval.

The manager of the Micrographics Division also assists the State Board of Insurance Record Administrator in implementing the agency's records management program. This involves supporting the record-keeping functions of each area by providing consultation to agency users.

In addition, this division is responsible for determining and maintaining sufficient information concerning the identification and quantification of records series so as to support administrative planning and scheduling appropriate retention periods for records of various types.

During the past year, records management liaisons from each division were appointed and received training provided by the State Records Center in order to assist with completion of the agency records retention schedule required by law. This division also provided technical assistance to the agency's Open Records Committee in establishing criteria to be used in processing and tracking open records requests.

Publications

The Publications Division is responsible for the mailing lists and deposit accounts for the agency's publications. This division is also responsible for the distribution of agency publications to the public, insurance departments and agencies in other states, insurance companies, agents and other licensees.

REGULATED LINES AND LICENSING

Clearly, one of the largest and most visible programs in the agency is the group of functions that fall under the umbrella called Regulated Lines and Licensing. This program, which is home to about one-third of the employees of the agency, has front-line jurisdiction for most of the statutory filings processed by the Board, from annuity policies to automobile consent-to-rate forms. The types of licensees are as diverse as retirement communities and corporate risk managers and the responsibilities as varied as amusement ride inspections and audits of premium finance companies.

LIFE GROUP

The activity referred to as the Life Group is responsible for the review and analysis of all new and revised life, annuity, credit life and credit disability, and accident and health policy forms, riders, amendments and endorsements offered for sale by licensed entities in Texas. The policy review functions are under four separate divisions: (1) Individual Accident and Health; (2) Individual Life and Annuities; (3) Group Life, Accident and Health; and (4) Credit Life, Accident and Health. This activity also has a separate division which reviews insurance advertisements.

In addition to the daily activities routinely handled by this activity, the Life Group was involved in numerous ongoing studies and projects throughout the year. The emerging health insurance problems of affordability and availability resulted in several Legislative initiatives which affected the activity of the Life Group in Fiscal Year 1989. To address the problem of health insurance availability for high-risk individuals who are unable to obtain insurance through the voluntary market, the Texas Legislature passed SB 832, *Acts of the 71st Legislature*, creating the Texas Health Insurance Risk Pool. The pool is expected to become operational in 1990.

The Legislature also approved major reforms in the area of Medicare supplement insurance (HB 116, *Acts of the 71st Legislature, First Called Session)*. Rules necessary for implementation of the new Texas law and revisions to the federal *Medicare Catastrophic Coverage Act of 1988* were drafted by the Life Group and adopted by the Board. These reforms will add new protections for senior citizens, and should make shopping for a Medicare supplement policy an easier task.

Escalating health insurance costs have also been a source of concern for the Life Group. Some sources estimate that health care costs now consume 11.2 percent of the gross national product. Health insurance premium increases of more than 100 percent are not uncommon. In response to this growing crisis, the State Board of Insurance appointed an advisory committee under the direction of the Life Group to recommend new guidelines that address group health insurance rating practices of fully-insured multiple employer trusteed plans and association trust plans. The committee was also directed to examine the fairness and equity of various rating concepts and methods currently used in group accident and health coverage (Board Order 54355).

Policy Review

In each of the four divisions responsible for policy review, technicians specializing in different lines of coverage review the policies to be sure they contain the minimum standards and minimum provisions required by Texas law, and to be certain they do not contain any prohibited, unjust or deceptive provisions. After the review is completed, recommendations are made to approve or disapprove forms, or to request corrections or amendments to correct policy deficiencies. In many cases, correction of a form can occur through a policy endorsement to avoid the necessity of reprinting the entire package of proposed contracts.

Figure 9. Summary of Activity - Policy Review

	FY 88	FY 89
Forms Filed	33,005	30,815
Forms Accepted	27,779	27,216
Forms Approved	12,231	15,493
Forms Disapproved	2,286	1,972
Forms Exempt	8,609	9,901

Because the public demands a large variety of products and companies need to be able to bring new product offerings into the marketplace quickly to respond to changing conditions or competitive forces, the timeliness of policy reviews is constantly monitored. The average length of time necessary to review a form has decreased significantly over the past two years, from an average 35.5 days in Fiscal Year 1987 to an average of 23.75 days in Fiscal Year 1989.

Figure 10. Average Length of Time for Form Review*

	FY 87	FY 88	FY 89
Individual Life	45 days	34 days	28 days
Group Life and A & H	55 days	38 days	29 days
Individual A & H	21 days	21 days	21 days
Credit Life and Disability	21 days	15 days	17 days
Average	35.5 days	27 days	23.75 days

** Reflects time from receipt of form in Life Group to time of approval, disapproval, notification to company of deficiencies in form or request for additional information.*

The time periods reflected in this chart are the number of days a particular form is actually in the hands of agency analysts, the only period which can be measured by the Board. The activity is constantly seeking ways to speed up the processing time without sacrificing the quality of the review.

During Fiscal Year 1989, 29,[illegible] forms were reviewed not counting riders, applications and endorsements with individual life and annuity policies. Action was taken to approve 15,493 forms, to disapprove 1,972 forms, with 1,262 withdrawn from consideration at the company's request. Action was taken on 1,281 resubmissions and 9,901 forms were filed pursuant to *28 Texas Administrative Code, Subchapter Z.*

In addition to policy form review, the Life Group conducted special statistical studies involving Medicare supplement insurance policies and credit life and disability insurance.

Advertising

During Fiscal Year 1989, the Life Group was home for agency activities related to regulation of insurance advertisements, a function of the agency that will be returned to the Compliance Program in Fiscal Year 1990. The Advertising Division is responsible for reviewing advertisements utilized for distribution through all forms of print and electronic media for compliance with state laws and regulations. Advertisements reviewed by the division are either submitted voluntarily by insurers or members of the public, or may be requested by the agency for review. As a result of State Board

of Insurance actions taken against licensed entities for deceptive advertisements, a total of $1,345,449 was refunded to Texas residents during Fiscal Year 1989.

One of the major undertakings of the division during the past year was an investigation of mailings designed to generate "leads" (or prospects) for insurance products which are then sold to agents and companies. The number of entities involved in this type of activity that came to the attention of the State Board of Insurance through inquiries and complaints increased from 46 in Fiscal Year 1988 to more than 70 in Fiscal Year 1989. Culminating the investigation was issuance of a press release on July 3, 1989, announcing 73 organizational names used in mailouts designed to obtain sales leads for insurance companies and agents. The agency issued the list to alert consumers to the true purpose of mailings. Additionally, the Board adopted a rule clarifying that these mailings are subject to Board jurisdiction *(28 TAC, 21.102(a) (6) and (7))*.

Because the federal *Medicare Catastrophic Coverage Act of 1988* requires that all Medicare supplement advertisements be reviewed by state insurance departments, the Advertising Division placed a priority on review these advertisements. Immediate handling of these advertising materials reduces the possibility of harm among senior citizens purchasing these products.

Figure 11. Summary of Activity - Advertising

	FY 88	FY 89
Advertising Filings Received	2,684	2,695
Advertising Filings Closed	2,142	3,406

PROPERTY

The Property Activity is responsible for the regulation of all property insurance and also administers the state's windstorm inspection program along the Texas Gulf Coast. The functions of this activity include inspection work that is designed to insure proper fire protection, accurate and fair fire insurance rates, proper wind codes along the coast and the availability of reasonable and comprehensive property insurance policies.

This activity has recently been restructured to provide for a more efficient and effective operation by separating the fire rating activity from the windstorm inspection activity. The recent catastrophic storm that devastated much of the South Carolina coast is a grim reminder of the need for wind-resistive construction along the Texas Gulf Coast. The windstorm program is vital to the development and the economy of the entire coastal area of Texas.

Through hearings in 1989, the Property Activity began an in-depth review of the fire rating system in Texas, the key rate system in Texas and the simplification of property insurance forms. These tasks will be lengthy and difficult considering the systems being reviewed have been in place since the early 1900's.

Property Rating

The Property Rating Division is responsible for promulgating new fire insurance rates and revising existing fire insurance rates from rate request forms, rate revision certificates and actual physical inspections. To accomplish this mission, 21 field offices are maintained throughout the state (Abilene, Amarillo, Austin, Beaumont, College Station, Corpus Christi, Dallas, El Paso, Fort Worth, Harlingen, Houston, Lubbock, Midland, San Angelo, San Antonio, Sherman, Texarkana, Tyler, Victoria, Waco and Wichita Falls). These offices, along with the Property Rating Mobile Road Crew, evaluate and promulgate fire and extended coverage rates on more than 771,000 commercial buildings, schools, churches, public buildings and other structures for which individual rating is required. These rates, based on formulas developed by the Board, take into consideration the construction, occupancy, location, fire protection and fire hazards of the various buildings.

The Property Rating Mobile Road Crew re-inspects buildings in cities and towns throughout the state. This section also serves as a training unit for territorial inspectors.

Figure 12. Summary of Activity - Property Rating

	FY 88	FY 89
New Buildings Inspected	23,809	24,185
Existing Building Rates Revised	18,518	23,736
Rates Cancelled	3,786	5,109
Visitors Counseled	2,275	2,377
Number of Telephone Calls	38,155	29,914
Written Requests for Rate Information	2,944	2,665

Once rates are promulgated, they are stored in the State Board of Insurance's mainframe computer in Austin by the Computer Rate Service. This division receives more than 250 telephone calls an hour on busy days from agents and companies in need of a rate calculation before a policy is issued. Companies also can access the information by computer links with the State Board of Insurance. Agents can receive data over the telephone or through the mail. In addition to rates, the Computer Rate Service furnishes certificates for, and keeps records of, structures involved in the windstorm inspection program.

Figure 13. Summary of Activity - Computer Rate Service

	FY 88	FY 89
Property Rate Master File Activity		
New Building Rates	17,202	18,193
Deleted Rates	5,643	6,619
Revised Rates	56,084	57,166
Total Activity	78,929	81,978
Rate Requests Furnished		
By Telephone Calls	443,538	413,914
By Letters	165,697	177,823
In Office	9,063	39,553
Total Rates Furnished	618,298	631,290
Active On-Line Master Files	760,186	771,877

Windstorm Inspection Division

The Windstorm Inspection Division was created to carry out the provisions of Section 6A, Article 21.49, *Texas Insurance Code*. The statute requires that all new structures, additions and repairs to existing structures be inspected by the State Board of Insurance for building code compliance to qualify for windstorm insurance through the Texas Catastrophe Property Insurance Association.

This division came into full operation in the last months of Fiscal Year 1988 and became a very productive program in Fiscal Year 1989. Although building construction along the coast has not proceeded at the expected pace, the number of windstorm inspections has increased considerably, especially in the category of repairs, due to a widespread hail storm in Brazoria County and a

considerable amount of damage caused by Hurricane Gilbert in Cameron County. During Fiscal Year 1989, a total of 23,121 inspections were conducted.

Educational programs were continued throughout the year in an attempt to make residents aware of the program and its necessity in obtaining windstorm insurance through the Texas Catastrophe Property Insurance Association. The engineering staff researched and developed the State Board of Insurance *Windstorm Resistant Construction Guide*, for use by the construction industry. Staff has also initiated work on preparing a comprehensive *"Catastrophe Plan"* to be used in the event of a hurricane or other natural disaster.

Figure 14. Summary of Activity - Windstorm Inspections

	FY 88	FY 89
Applications	2,745	10,569
Inspections	4,045	23,121
Certificates of Compliance	870	4,412
Letters Received	*	3,883
Letters Written	*	5,422
Telephone Calls Received	*	86,612
Visitors Served	*	1,948

** Because this division did not become fully operational until late Fiscal Year 1988, figures for these activities were not maintained.*

Average Rate Office

This division is responsible for the calculation and promulgation of average rates which include fire, extended coverage and all perils for property damage, business interruption, extra expense, rents and various other types of insurance where two or more buildings or facilities are involved. For instance, a school district with numerous buildings usually purchases one insurance policy to cover all buildings. The insurance rate for that single policy is determined by the Average Rate Office.

To improve efficiency and quality of service, the division is currently in the process of converting to full computerization of average rates. Completion of this task is expected in Fiscal Year 1990.

Figure 15. Summary of Activity - Average Rate Office

	FY 88	FY 89
Number of Average Rate Bulletins Published	6,493	9,504
Requests for Average Rate Information	10,373	11,784

Insurance Lines

This division is responsible for oversight of rules, regulations and policy forms for the four major lines of property insurance: commercial multi-peril; inland marine; petroleum; and personal lines.

Commercial Multi-Peril: This section is responsible for the regulation of commercial property insurance which includes commercial fire policies as well as multi-peril policies. This section is also responsible for answering all written or telephone inquiries concerning the commercial fire policy

and multi-peril policies, including the *Texas Commercial Package Policy*, *Texas Businessowners Policy* and the *Electronic Equipment Protection Policy*.

This section also reviews all requests for changes to any of the commercial fire and multi-peril policies, forms or endorsements, and presents recommendations to the Board for final disposition. Should changes be granted by the Board, this section is in charge of implementation of those changes, including forms and rules. In addition, this section is responsible for coordinating, proofreading and assembling, printing and distributing revisions to the *Texas General Basis Schedules* (GBS), the only insurance manual published exclusively by the Board.

Assistance also is given in the gathering and processing of statistical data for development of the fire record program.

Figure 16. Summary of Activity - Commercial Multi-Peril

	FY 88	FY 89
Requests for Rate Information	9,815	9,635
Number of Complaints Processed	69	96

Inland Marine: This section is responsible for the regulation of inland marine insurance in accordance with applicable provisions of Article 5.53, *Texas Insurance Code* and of the Texas definition of inland marine insurance. During Fiscal Year 1989, this section acted on filings pertaining to such lines of insurance as Accounts Receivable, Valuable Papers, Stamp Collection, Personal Jewelry, Films and Negatives, Floor Plan Policies and Equipment Dealers. In addition, individual filings for excess rates in connection with various classes of inland marine insurance were processed.

Figure 17. Summary of Activity - Inland Marine

	FY 88	FY 89
Filings Acted On	194	179
Excess Rates Processed	501	460
Complaints Processed	45	47

Petroleum Properties: The Petroleum Properties section processes and prepares Board Orders on Plan "C" Deviations, Percentage Deviations and Property Dividends. The section is also responsible for accepting rate filings for all eligible petroleum property and for approving named rate filings, excess of loss filings, and excess rate filings.

Figure 18. Summary of Activity - Petroleum Properties

	FY 88	FY 89
Plan "C" Deviation Transactions	12	13
Percentage Deviation Transactions	342	327
Dividend Transactions	30	28
Named Rate Filings	1,101	1,230
Excess of Loss Filings	377	338
Excess Rate Filings	316	894

Personal Property Lines: This section oversees the regulation of residential insurance, including special multi-peril policies such as Homeowners and Farm and Ranchowners contracts. The activities of various county mutual insurance companies are also supervised. In addition, this section handles revisions to standard forms and rules as well as the coordinating, proofreading and assembling, printing and distributing revisions for the *Texas General Basis Schedules*. Finally, this section oversees a program whereby homeowners whose property complies with certain theft prevention standards (such as deadbolts and window locks) can qualify for a premium reduction. At the end of Fiscal Year 1989, there were 23,614 premium reduction certificates in force under the program.

A significant step towards improving consumer understanding of homeowners insurance protection was initiated this year when the Board appointed a committee to draft a readable Homeowners Policy. Numerous staff persons in this section are working with the committee, which plans to have a readable policy to present to the Board in early 1990. If the new policy is adopted, this section will be responsible for its implementation.

Figure 19. Summary of Activity - Personal Property Lines

	FY 88	FY 89
Requests for Rate Information	1,753	1,159
Number of Telephone Calls	12,390	9,900
Number of Certificates Issued	7,352	6,432
Number of Rate Quotes	385	324
Number of Complaints Processed	691	416

Engineering

The Engineering Section conducts inspections of public fire protection facilities of some 595 cities throughout Texas. These inspectors analyze and evaluate the fire fighting capabilities of cities and towns. During Fiscal Year 1989, this activity inspected 82 cities for key rate purposes, reviewed 1,005 sets of drawings of automatic sprinkler systems and automatic fire alarm systems, and conducted field inspections and tests of 259 new installations and 176 existing installations. In addition, inspectors checked four cities with new water systems and tested some 111 pumpers from the various fire departments. Engineering draftsmen drew 13 new waterworks maps and corrected 192 drawings.

Engineers and inspectors devoted considerable time to correspondence, telephone and personal visits in consulting with engineering firms, fire protection contractors and city officials to assist them with fire protection problems.

Figure 20. Summary of Activity - Engineering

	FY 88	FY 89
Key Rate Field Inspections	47	82
Key Rate Supplements Published	138	199
Auto Pumpers Retested	76	111
New Waterworks Systems Inspected	13	4
Automatic Sprinkler Systems Plans Checked	1,263	1,005
Automatic Sprinkler Field Inspections (Old)	136	176
Automatic Sprinkler Field Inspections (New)	346	259
Old Maps Corrected	164	192
New Maps Drawn	---	13
Highly Protected Risk Rates Reviewed and Published	80	3

CASUALTY

Although many insurance issues were considered during 1989, workers' compensation dominated public and legislative debate throughout the year. Increases of 148 percent in workers' compensation rates over a five-year period fueled the calls for reform of the troubled system. The Legislature grappled with the issue of workers' compensation reform through its regular session and First Called Session, with a Second Session scheduled in November.

One indicator of the seriousness of the workers' compensation crisis was the decision of Texas Employers Insurance Association (TEIA) to stop selling and renewing workers' compensation policies because of rising losses. The oldest and largest voluntary writer of workers' compensation in Texas, TEIA held about eight percent of the market with approximately $211 million in written premiums for 1988.

Workers' Compensation

Management: Because of the technical nature of the workers' compensation issue, management staff of the Workers' Compensation Division spent a great deal of time working with legislative leaders and committees to address questions and provide needed information. Public concern about workers' compensation and market conditions around the state created additional demands for information and assistance as was evidenced in a 57 percent increase in the number of complaints received by the division, and a 12 percent increase in the number of personal visits made by consumers seeking information.

During the year, the State Board of Insurance began installation of a state-of-the-art image processing system that will greatly improve productivity in the Workers' Compensation Division. Although installation of the system was expected to be completed before the end of the fiscal year, delays were caused by equipment integration problems, changes in specifications to meet a changing workers' compensation reform strategy, and vendor reorganizations. Current plans are to begin conversion of data in January 1990, with processing of files beginning in April 1990.

Figure 21. Summary of Activity - Workers' Compensation Management

	FY 88	FY 89
Interpretation of Rulings	10,805	10,952
Office Visits	203	228
Complaints	142	221
Board Hearings	5	8
Board Orders	14	14
Office Conferences	116	96
Outside Meetings Attended	18	12

Policy Review: This section is responsible for the review of workers' compensation policies issued to employers to make sure the policy has the correct endorsements attached with appropriate classifications and corresponding rates. Since it is not possible to review all policies filed, the section concentrates its efforts on reviewing files that have had a change in ownership; are scheduled to be experience rated; have had a change in the named insured; have coverage written through the Texas Workers' Compensation Assigned Risk Pool (TWCARP); or are written on a new risk. In Fiscal Year 1989, 10,879 files were reviewed, representing a five percent increase over the number of files reviewed in Fiscal Year 1988.

Installation of the image processing system will allow this section to be more selective in choosing files for review. Through random sampling, technicians will be able to monitor the accuracy of policies issued for each insurance company writing workers' compensation policies. Review by random sampling has not been possible due to the number of files involved and the absence of automation. The electronic data base created by the image processing system will provide necessary information for an automated policy review function.

Figure 22. Summary of Activity - Workers Compensation Policy Review

	FY 88	FY 89
Daily Reports Approved	44,178	41,645
Endorsements Separately	73,868	81,700
Cancellations Separately	19,207	15,356
Disapprovals Written	22,259	30,946
Letters Written	6,176	4,538
Telephone Calls	5,919	6,623
Office Visitors	102	184
Non-rated Files Worked	19,793	31,851
New Files Created	22,049	24,964
Inter-state Files Worked	6,101	11,346
Intra-state Files Worked	57,825	42,718
Computer Transaction Requests	34,474	43,012

Classification: To obtain workers' compensation insurance, each business and its operations must be reviewed and assigned to one of approximately 600 classifications. The classification given a company is very important since it directly affects the business' cost of the insurance. Many factors are considered when determining a classification, including the type of work performed and the hazards involved in performing the work. This section is responsible for determining and assigning classifications to businesses when the Policy Review Section questions a classification already assigned to a business, or when requested by either the insured, an insurance agent or insurance company. Reviews may be conducted by telephone, through written correspondence, or by making field inspections. Information needed to determine the proper classification may be provided by the insured, the agent, or the insurance company.

As insurance rates continue to increase, so do the number of requests for inspections and the number of inquiries concerning classifications. In Fiscal Year 1989, the number of completed inspections increased 14 percent over the previous year for a total of 1,422. This section also experienced a 13 percent increase in the number of telephone inquiries, and a 12 percent increase in the number of letters written.

Figure 23. Summary of Activity - Workers' Compensation Classification Office

	FY 88	FY 89
Files Audited	656	542
Number of Plant Inspections	1,252	1,422
Number of Days Traveled	369	422
Total Miles Traveled	59,531	70,876
Average Travel Cost Per Inspection	$ 20.94	$ 22.91
Interpretations & Rulings	30,456	31,730
Office Visitors	116	146
Inspection Cards Made	1,320	1,698

File Section: More than 170,000 workers' compensation files are maintained by this section. Although this number may seem high, it represents a marked decrease from the 310,000 files maintained in Fiscal Year 1988. One of the primary reasons for the decrease is the fact that policies with less than $1,500 annual premium are no longer filed with the State Board of Insurance. The reduced number of files has made it possible to improve maintenance of the remaining files. In addition, the on-line capability to update records in the automated locator system continues to improve the accuracy of the system.

Figure 24. Summary of Activity - Workers' Compensation Files

	FY 88	FY 89
New Files Created	18,982	22,183
Files Worked in Reduction	213,532	155,213
Files Destroyed	75,595	19,139
Incoming Mail	730,496	677,980
Inter-state Rating Forms Received	32,418	22,540
Computer Transactions:		
Records Deleted	151,083	63,926
Records Added	47,937	60,669
Records Updated	29,905	33,782

Rate Modification: This section is responsible for promulgating experience modifiers for policyholders who have sufficient premium to qualify for experience rating. To obtain an experience rate modifier, an employer's actual workers' compensation loss experience over a given period of time is compared with the average experience expected for all employers within the same class. Employers with better-than-average loss records receive a credit, which reduces overall premium costs. Those employers with worse-than-average loss records see their premium increase with a debt modifier. During Fiscal Year 1989, this section improved service by calculating modifiers some 30 to 60 days prior to a policy's expiration date.

As with other sections in the Workers' Compensation Division, the Rate Modification Section experienced a significant increase in the number of inquiries handled during the year. A total of 61,956 telephone calls were handled, which represents a 35 percent increase over the previous year.

There was also a 54 percent increase in the number of letters of authority received from insureds requesting that a copy of their experience modifier be provided to a specified agent and/or insurance company.

Figure 25. Summary of Activity - Workers' Compensation Rate Modification

	FY 88	FY 89
Ratings	63,342	47,683
Rate Cards	43,377	30,355
Letters of Authority	24,590	37,967
Request for Unit Statistical Cards	5,524	4,827
Data and Invoices	36,945	27,661
Letters Written	3,384	2,199
Telephone Calls	45,579	61,956
Visitors	1,461	1,385
Re-rates	687	1,028
Non-qualifying Rates	4,473	1,124
Letters to Legal	1,581	1,327

Liability Insurance

General Liability: The primary function of this section is analyzing and processing for Board approval various policy forms, endorsements, and manual rules filed by individual insurance companies and licensed rating organizations. During Fiscal Year 1989, the General Liability Section reviewed and approved 130,000 individual rate filings, processed and computed 5,344 experience ratings, performed audits on 56,085 policy form filings, responded to 45,000 telephone inquiries, and processed 308 written complaints.

In a major step to improve the operational capability of this section, installation of an Automated File Retrieval System was completed early this year. Approximately 416,000 files have been entered into the electronic system, allowing staff to access all existing files via an automated index. The new system has resulted in significant savings in staff time and provides better control and security of files. Most important, the automated system allows State Board of Insurance staff to better serve the public in a more timely fashion.

Automation of files is also critical to the success of the Board's efforts to monitor the availability of liability insurance of all markets. As authorized under Article 21.49-12, *Texas Insurance Code*, the Board has directed the General Liability Section to continue collecting data for certain lines and classes of business that are particularly susceptible to market constrictions. Information obtained from the newly automated file system will be used by the Board in its decision making and will be a useful resource for the public.

Figure 26. Summary of Activity - General Liability

Activity	FY 88	FY 89
"A" Rate Filings	100,810	130,000
General Information Requests	42,744	45,000
Audits	51,554	56,085
Ratings	10,933	5,344
Complaints	308	308

Professional Liability: The primary function of the Professional Liability Section is to regulate medical professional liability insurance under Article 5.15-1, *Texas Insurance Code* as well as 233 active miscellaneous professional liability programs (e.g., Errors & Omissions and Directors & Officers insurance). Medical professional liability includes coverage for physicians, surgeons, hospitals, dentists, nurses, chiropractors, optometrists, blood banks, nursing homes, medical clinics and other specified types of health care providers. This section is responsible for reviewing all professional liability insurance programs, i.e., policy contracts, endorsement forms, rating classifications, rating rules and rates. Management makes recommendations to the Board for approval based on the feasibility of new and revised programs for use in the state.

Premiums on medical professional liability insurance in Calendar Year 1988 were $164,932,871, a slight increase over the $164,073,880 reported in the previous year. This indicates some stabilization in the market place over the past 12 months in the cost of this type of insurance. Another indication of market stability can be seen in the decreased number of consent-to-rate applications processed by this section. These applications are filed on behalf of health care providers who agree to a rate higher than that approved by the Board under its rate regulatory authority. The number of consent-to-rate and "A" rate filings processed by the Professional Liability Section fell from 19,071 in Fiscal Year 1988 to 17,639 in 1989. This is particularly significant when compared to the two-fold increase in the number of applications approved in Fiscal Year 1988 as compared to Fiscal Year 1987.

This section also is responsible for the regulatory oversight of the Texas Medical Professional Liability Insurance Underwriting Association (JUA) which was established by statute (Article 21.49-3, *Texas Insurance Code)* to provide a state-controlled market of last resort for health care providers who cannot obtain needed coverage in the private voluntary market. For the second year in a row, the JUA did not need to assess policyholders for an operating deficit. The policyholder stabilization reserve fund was sufficient to cover the approximately $1.9 million deficit of the JUA. The Texas JUA is one of only two state medical JUA's in the country that is not currently operating with a multimillion dollar deficit.

Figure 27. Summary of Activity - Professional Liability

	FY 88	FY 89
"A' Rates and Consent-to-Rate Filings	19,071	17,639
Telephone Calls	6,462	13,964
Board Orders	53	51
Office Consultations, Conferences	41	104
Board Meetings and Hearings	65	92
Written Complaints	90	176
Letters, Memos & Bulletins	4,427	17,121

Automobile, Title, Bond, Burglary, Plate Glass, and Miscellaneous Casualty Lines

This division administers the statutes and Board regulations pertaining to (1) Automobile, (2) Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines, and (3) Title Insurance.

Automobile: Functions of this section generally can be categorized as research, development and review of existing and proposed automobile insurance policy forms, endorsements, coverages and manual rules. In addition, this section serves as an administrative and coordinating office in connection with the stamping office and advisory activities of the Texas Automobile Insurance Service Office (TAISO) and the general functions of the Texas Automobile Insurance Plan (TAIP). Specific tasks include:

- reviewing and checking of automobile experience ratings;
- composite loss ratings;

- review and processing of individual risk submissions, automobile consent-to-rate applications, statewide class rate deviation applications, and company dividend filings.

This section also responds to thousands of consumer inquiries and complaints regarding automobile insurance rates, underwriting and and other issues not related to claims handling.

Figure 28. Summary of Activity - Automobile

Activity	FY 88	FY 89	+/- %
Experience Rating Files	38,148	38,360	+ .6
Composite Rating	938	836	- 8.9
Loss Rating	180	131	- 27.2
Nonstandard Limits	90	119	+ 32.2
Liability Rating Received	10,422	7,867	- 24.5
Experience Rate Ownership/Inquiries	26,518	29,407	+ 10.9
Specimen Automobile Policy	285	190	- 33.3
State Agency Auto Policies	99	85	- 14.1
Consumer Inquiries and Complaints	32,697	62,421	+ 90.9
Deviation Filings	312	254	- 18.6
Dividend Filings	---	191	*
Consent-to-Rate Filings (CTR)	106,230	181,219	+ 70.6
Individual Risk Submissions (IRS)	1,485	2,282	+ 53.7
County Mutual Rate Filings	296	282	- 4.7
Board Orders**	458	544	+ 11.8

** This function was transferred to this Section during Fiscal Year 1989; therefore, this report reflects what was processed in Automobile during a Fiscal Year 1989 only.*

*** Board Orders previously have not been broken out by type, but have been maintained by total (291-Deviations; 8-PP Symbols; 199-IRS; 46-General).*

Automobile insurance accounts for 39.1 percent of the total Texas premium written by property and casualty companies. During Calendar Year 1988, written premiums on auto insurance for all Texas licensed companies (except county mutuals) totaled $4,473,087,615, an increase of five percent over 1987. However, county mutual insurance companies (which are exempt from the uniform automobile insurance rate laws) experienced a 13.3 percent decrease from the previous year, with 1988 written premiums totaling $755,309,848.

Although county mutual insurance companies are statutorily exempt from rate regulation, their rates must be filed with the Board for information purposes. In Fiscal Year 1989, the Automobile Section processed 282 rate filings by county mutuals. County mutuals wrote 16.9 percent of the automobile insurance premiums written in Calendar Year 1988, excluding premiums written by surplus lines carriers and farm mutual companies.

Insurers subject to the Board's rate regulation have the option of selling automobile insurance at rates other than those promulgated by the Board. Companies may file for deviations (upward or downward), or with the consent of the insured, they may charge rates in excess of the Board promulgated rates. As of August 31, 1989, the Board had approved 254 automobile rate deviations, including 26 downward and three upward commercial auto deviations, and 151 downward and 74 upward deviations on private passenger automobile. The low number of commercial automobile deviation filings is due to the fact that the annual commercial automobile rate hearing was delayed to late 1989.

Since last year, the function of approving company dividend filings was transferred to the Automobile Section. A total of 191 dividend filings were processed.

Also noted is a significant increase in the number of consent-to-rate filings processed this past year. A total of 181,219 individual risks were submitted under consent-to-rate filings, representing an increase of nearly 71 percent over Fiscal Year 1988 filings. This increase is largely attributed to the liquidation of National County Mutual Fire Insurance Company, which resulted in many of those policyholders being written by rate regulated companies using the consent-to-rate methodology.

During the past year, this section has also been involved in a number of on-going projects in addition to its routine responsibilities. Staff worked with employees of TAISO to address needed changes to the *Texas Automobile Manual* and the *Standard Provisions for Automobile Policies*. The Board adopted a number of the recommendations filed by TAISO, including:

- numerous general revisions to rules in the *Texas Automobile Manual* and related endorsement forms;
- three new mechanical breakdown policy forms and applicable rates;
- a new "Symbol and Identification Section" and related rules; and
- transfer to the Texas Education Agency the responsibility of of approving private schools conducting defensive driving education courses

Legislation passed by the 71st Legislature also brought some changes in the regulation of automobile insurance. Some of the more significant actions affecting auto insurance include:

- the continuation of automobile insurance coverage for separated or divorced couples;
- accreditation of defensive driving schools and the uniform design of certificates of completion; and
- a prohibition against car rental companies recommending the purchase of limited liability collision damage waivers (loss damage waivers) to consumers.

The Automobile Section has also continued working with a committee appointed in 1988 to rewrite and make rate revisions in the single interest physical damage policy. The committee has completed drafting of the master policy and expects to finish its work during the coming year.

This year also saw a significant increase in the number of individual risk submissions and consent-to-rate applications filed with the Automobile Section. In an effort to determine the reasons behind this increased activity, the division has begun a review of rating laws and rules and possible revisions to address necessary changes. The experience rating staff of the section also worked with agency legal staff to develop a legal referral system for insurance companies in violation of statutory requirements to file information on experience-rated risks. During Fiscal Year 1989, the experience rating activity referred 391 cases for disciplinary action.

Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines: This section assists with the administration of statutes and Board regulations pertaining to fidelity and surety bonds, guaranty agreements, personal and commercial crime insurance and commercial glass insurance. The miscellaneous casualty lines administered by this section include mortgage guaranty insurance and credit insurance coverages. This section reviews and exercises supervision over the rules, rates, policy forms and endorsements used in the lines of insurance mentioned above.

The process of rate review varies depending on the line of insurance and the nature of the risk. Rates for municipal bond insurance are submitted and approved individually, for each independent bond issue. Rates for mortgage guaranty insurance are not specifically approved but must be filed prior to use. This section also is responsible for reviewing the applications, submitted by insurers to obtain approval to charge rates in excess of the standard rates on specific risks. These applications are referred to as consent-to-rate applications. Experience ratings are also filed with and reviewed by the activity. Experience ratings permit an insurer to discount or surcharge the standard premium on fidelity bonds, crime and glass insurance based on the insured's experience.

In addition to reviewing rate and policy filings, this section investigates complaints filed against companies and agents that involve the lines of insurance noted above. During Fiscal Year 1989, 164 new complaints were received, 196 complaints were closed and 31 complaints were referred to other divisions within the agency for additional review and investigation.

Four information bulletins were prepared and distributed to all insurers and agents writing crime, glass, mortgage guaranty, credit insurance and bonds. The bulletins advised companies and agents of policy forms and rate changes that were approved by the Board during Fiscal Year 1989.

Figure 29. Summary of Activity - Bond, Burglary, Plate Glass and Misc. Casualty Lines

Activity	FY 88	FY 89
Filings Received Regarding Rules, Rates and Policy Forms	86	70
Experience Ratings	1,193	1,137
"A" Rate Board Orders Prepared	484	317
Consent-to-Rate Applications Processed	2,473	2,873
General Information Requests Processed	8,560	7,546
Hearings/Board Meetings	14	16

Title: The State of Texas regulates title insurance in all respects for the protection of every consumer who purchases title insurance. The Board, as authorized by Chapter 9, *Texas Insurance Code*, has promulgated comprehensive rules, rates and a forms manual for the writing of title insurance in Texas. The staff of the Title Section works extensively with other departments within the Board to facilitate early detection of insurer impairment, and enforcement of the rules and regulations.

An integral part of the Title Section is the field examination area, which is subsidized by fees established under the *Texas Title Guaranty Act*, amendments contained in S.B. 873, *Acts of the 70th Legislature*. During its first complete year of operation, the examination staff completed 57 field audits of title agents, covering 41 different counties in the state. The primary purpose of these field audits is to ascertain that title agents have honored their fiduciary responsibilities, thereby assuring the highest degree of public confidence in the safety of funds held in trust.

Figure 30. Summary of Activity - Title

Activity	FY 88	FY 89
Annual Escrow Audit Review	750	963
Field Audits *	--	57
Technical Examinations	40	15
Complaints	110	97
General Information Requests	12,203	25,657
Rates, Rules & Policy Forms	--	1
Board Orders **	196	1
Commissioner's Orders **	--	229
Hearings	41	3
Mailings/Bulletins	3,501	1,420

* *This is the first year of operation of this function*

** *Last fiscal year, Board Orders and Commissioner's Orders were combined. This year each activity is listed separately.*

Loss Control

The Loss Control Division has completed its first full year of operation. This division is primarily responsible for enforcing statutory requirements that insurance companies provide adequate accident prevention services to their insureds. The State Board of Insurance is required to establish safety standards and then check insurance company's offices for compliance. This division also has responsibility of certifying the qualifications of field safety representatives of the insureds. In addition, the Loss Control Division is responsible for implementing the premium discount program for safety for workers' compensation policyholders; approving professional liability insurance premium reductions for health care professionals who do charity work and have completed risk reduction and patient safety courses; enforcing the *Amusement Ride Safety and Insurance Act;* responding to the Governor's Task Force for Emergency Management for the State of Texas; and coordinating an accident prevention program for State Board of Insurance employees.

Under the accident prevention statutes, this division is required make at least biennial evaluations of insurance companies writing specified lines of coverage to determine if they are providing adequate accident prevention services. The specified lines include workers' compensation, commercial auto, professional liability for hospitals, medical professional liability, professional liability for insureds other than hospitals, and general liability.

Because of the Board's concern with workplace safety, the division's initial focus was to evaluate compliance by workers' compensation carriers. A review of compliance certificates and the first round of evaluations of all companies writing workers' compensation in Texas revealed that 264 companies issued workers' compensation policies in Calendar Year 1988, with premiums totaling $2.91 billion. These companies employed 1,207 field safety representatives who made 126,622 on-site accident prevention visits to policyholders during the year. These figures represent an increase over the previous year, when 772 field safety representatives conducted 121,616 on-site visits. However, expenditures by insurers on accident prevention services decreased from $26.7 million in Calendar Year 1987 to $26.1 million in Calendar Year 1988. A total of 21 companies reported they spent no money on accident prevention during Calendar Year 1988.

As of the end of the fiscal year, 290 evaluations had been completed by the Loss Control Division, with 233 insurers receiving an adequate rating and 57 companies determined to be less-than-adequate. Companies with less-than-adequate ratings will be closely monitored for compliance through the coming year.

Some of the more common problems include:

- a lack of qualified field safety representatives;
- company personnel responsible for loss control are not always aware of the existence of some policyholder accounts;
- company underwriting policies determine the service provided rather than the clients' needs; and
- lack of service of small premium accounts.

As required by the *Amusement Ride Safety and Insurance Act*, the Loss Control Division also oversees insurance requirements for amusement rides. Each ride is required to obtain an annual Amusement Ride Inspection Certificate and must pay an annual $20 inspection fee. In Fiscal Year 1989, approximately 100 carnival owners and amusement ride operators provided proof of insurance coverage, safety inspections, and injury reports for approximately 1,000 amusement rides.

One of the key factors in the success of the *Amusement Ride Safety and Insurance Act* is in educating local officials of requirements under the act. An article published in a bulletin issued by the Office of the Attorney General contributed to the State Board of Insurance efforts to inform local governments of the new law's requirements.

Figure 31. Summary of Activity - Amusement Rides

	FY 87	FY 88	FY 89
Certificates/Policies	1,031	837	1,121
Injury Incident Reports	14	19	20*

* *Encompasses 43 injuries*

LICENSING GROUP

The responsibilities of the Licensing Group include managing the various licenses, certificates of authority and registrations subject to the jurisdiction of the Commissioner of Insurance (exclusive of approval of rating organizations). Its operational components include the Agents Licensing and Company Licensing sections (together constituting the Insurance Lines Division), and the Insurance-Related Activities and the Surplus and Excess Lines sections (together comprising the Associated Lines Division). The **Agents Licensing Section** handles licensure of several types of insurance agents, as well as life insurance counselors, risk managers, title escrow officers, and adjusters. The **Company Licensing Section** deals with the issuance of certificates of authority to foreign and domestic insurance companies and to third-party administrators. In an effort to facilitate the financial review of foreign insurers seeking licensure in Texas, the foreign admission function was returned late in the fiscal year to the Financial Program, where it had been managed prior to late Fiscal Year 1988. The **Insurance-Related Activities Section** is responsible for the regulation of health maintenance organizations, continuing care retirement communities, prepaid legal service organizations, and premium finance companies. The **Surplus and Excess Lines Section** reviews the eligibility of non-admitted or "surplus lines" property and casualty insurers to do business in Texas, and also handles the registration of risk retention groups and purchasing groups.

The goal of the Licensing Group is to achieve consistency in administration of licensing functions, thus improving both efficiency and effectiveness. Realization of this goal should result in expeditious determination of whether a given entity is eligible to engage in an activity regulated by the Commissioner.

Figure 32. Licensees and Certificate Holders

License Type	Number FY 88	Number FY 89
Agents*	243,478	247,761
Adjusters	21,018	23,931
Insurance Companies**	2,256	2,238
Health Maintenance Organizations***	34	37
Risk Managers	319	485
Premium Finance Companies	437	422
Continuing Care Retirement Communities	1	14
Third-Party Administrators	-	55

* *Individuals may hold multiple licenses of various types.*

***Includes Exempt Associations, Domestic Risk Retention Groups, and Non-Profit Legal Services Corporations.*

*** *Certificate of Authority only. Excludes divisions.*

Insurance Lines Division

Company Licensing: The Company Licensing Section serves as the official custodian of the corporate records of insurance companies that do business in Texas. As such, it is responsible for collecting and maintaining biographical information on the principal individuals of all domestic and foreign insurance companies. The section's routine responsibilities include processing of incorporations, amendments to corporate charters, mergers, withdrawals, dissolutions, and various other corporate actions and related licensing activities as they apply to the 20 different types of insurance companies authorized under Texas law.

The Company Licensing Section also acts on behalf of the Commissioner in receiving service of process upon those companies for whom the Commissioner is, by law, the attorney for service. In addition, the Securities Custodian administers the statutory deposits that are required to be maintained by licensed insurers and corporate agencies for the protection of policyholders and creditors. The amount of cash and securities deposited with the State Treasurer increased from approximately $269 million in Fiscal Year 1988 to $282 million in Fiscal Year 1989. The funds held in various banks under joint control with the Commissioner of Insurance increased from approximately $33 million in Fiscal Year 1988 to $34 million in Fiscal Year 1989.

This section also responds to public inquiries concerning insurance companies that are licensed in the State of Texas. Through publications and press releases issued by the agency, consumers are being encouraged to check the licensing status of insurance companies with whom they are unfamiliar. In an effort to make this information more widely available, the Company License Master Information System (a data base residing on the agency's mainframe computer) was installed early this year and is currently available for on-line inquiry to the entire agency. The system allows the agency to store and subsequently retrieve descriptive and historical details for every company that has ever been licensed to conduct business in the State of Texas, improving the agency's ability to respond to public inquiries in a more timely manner.

Agents Licensing: The Agents Licensing Section is primarily responsible for reviewing and processing license applications for issue and renewal; approving and canceling company appointments for agents; reviewing and approving continuing education training programs; and producing certificates of license status.

In recent years, this section worked to simplify and improve the agent licensing procedures. An improvement of major significant occurred during Fiscal Year 1989 with the approval of an outside testing service for administering qualifying examinations. Under authority granted by the Board in Fiscal Year 1988, Educational Testing Service (ETS), Princeton, New Jersey has contracted with the State Board of Insurance to screen applications for licensing, and to develop, administer and grade examinations. The first examination administered by ETS was scheduled to begin in early Fiscal Year 1990.

As part of the section's efforts to improve licensing procedures, a simplified license renewal form was developed during Fiscal Year 1988, and a "fast track" program to review renewal forms was implemented. Prior to implementation of the improved review system, licensees often waited several weeks before learning that their renewal forms were incomplete or defective. Currently, defective or incomplete renewal applications are returned to the agent for correction within a week. To further streamline and improve the speed of the renewal process, the Board has purchased data imaging equipment and contracted with a vendor to develop software. This process will allow the electronic reading of information on renewal forms and produce specific documents for detecting errors and updating renewal information in the agents' master record files. This application will improve the efficiency of the licensing process, provide specific tracking capability, eliminate time consuming key entry, and greatly reduce the volume of documents managed through the temporary storage and microfilming process.

Administration of the mandatory continuing education requirement for insurance agents continued to be a major effort by the Agents Licensing Section during Fiscal Year 1989. To date, 9,995 courses offered by 482 associations, proprietary schools, colleges, and similar institutions have been approved. In addition, on-site, telephonic and mail survey audit procedures have been developed to monitor the approved courses.

The section is also continuing to work towards completion of a single computerized agents license master file. At the present time, "minor lines" licenses are being added to the data system. Once the minor lines are automated, a single certificate for all licenses issued to a given individual will be issued in lieu of multiple certificates. When the single certificate comes on-line, the amount of paperwork will be reduced significantly both for the licensees and the State Board of Insurance. In addition, consumers will have a clearer picture of licensing status of individuals with whom they are doing business.

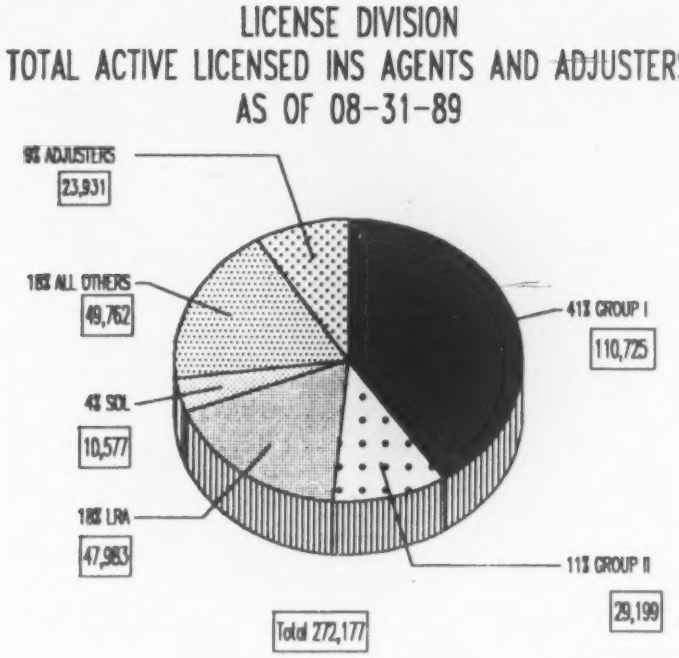
The section's telephone communications bank, consisting of eight operators and a supervisor, consistently fields an average of 700 phone calls per day. These operators received extensive training and are not only able to handle routine inquiries, but also handle many more difficult and technical questions involving statutes, rules and procedures.

Figure 33. Five-Year Summary of Agent's License Statistics

	FY 85	FY 86	FY 87	FY 88	FY 89
Total Licenses Issued	43,582	47,100	46,898	47,836	40,734
Total Licenses Renewed	40,627	74,118	53,621	85,066	56,562
Total Licenses Cancelled	27,492	27,213	28,993	49,735	34,268
Total Additional Appointments Processed	132,997	136,253	142,966	162,736	159,148
Total Current Licenses	193,293	213,426	266,149	264,496	272,067
Total Examinations Administered	31,826	31,498	31,237	36,469	33,011

Figure 34. Agent, Adjuster and Risk Manager Licenses

	FY 88	FY 89
Adjusters	21,018	23,931
Risk Managers	319	485
Agents		
Group I	108,111	110,725
Group II	28,938	29,199
Variable Annuity	11,832	12,715
Variable Life	493	484
Local Recording	49,330	47,983
Solicitor	10,914	10,577
Non-Resident Fire/Casualty	7,642	8,295
Managing General	743	908
State Specialty	9,374	10,139
Title	1,988	2,009
Escrow Officers	5,354	5,147
Direct Operations	N/A	3
Surplus Lines	564	609
Pre-Paid Legal Agents	6,890	7,304
HMO Agents	1,214	1,579
Life Counselors	91	85
TOTAL	264,815	272,177



Third-Party Administrators: H.B. 170 *Acts of the 70th Legislature, 2nd Called Session* required licensing of all third-party administrators (TPAs). TPA's serve primarily as benefit administrators who contract with insurance companies or self-insureds to handle many of the clerical functions (such as claims processing and premium collection) of pension, disability, health insurance or other employee benefit arrangements. TPA's must be licensed if they receive any form of administrative or service fee, consideration, payment, premium, reimbursement, or compensation for performing or providing any service function, or duty, or activity respecting insurance or alternatives to insurance in any administrative or management capacity, under a contract or other agreement to be performed in Texas or with respect to risks located or partially located in Texas or on behalf of persons for any plan, insurance carrier or pension that self-insures.

On February 29, 1988, the 353rd State District Court of Travis County enjoined the State Board of Insurance from implementing the provisions of H.B. 170, holding that the law was unconstitutional. However, at the close of Fiscal Year 1988, the state had filed a notice of appeal which in effect stayed the order of the trial court pending appeal. As of August 31, 1989, there had not been a ruling on this appeal. The Third-Party Administrators Section has continued to process applications in accordance with H.B. 170. A total of 232 applications had been received as of August 31, 1989, and 55 certificates of authority had been issued. The 1989 Legislature repealed H.B. 170 and replaced it with a new TPA licensing law, S.B. 832, *Acts of the 71st Legislature*.

The Third-Party Administrators Section was responsible for the development of rules and forms necessary to implement S.B. 832. These rules and forms were approved on August 22, 1989, to become effective September 1, 1989. S.B. 832 reduced some of the statutory requirements for a license, but broadened the applicability of the statute and added a requirement for on-site examinations.

Associated Lines Division

Surplus and Excess Lines: Individuals or businesses who are unable to find insurance coverage from companies licensed to do business in Texas have an option of working with specialized insurance agents and insurance groups who are permitted by law to place coverage with companies that are

not licensed in Texas. The regulation of these types of insurance transactions (including surplus lines, risk retention groups, and purchasing groups) is the responsibility of the Surplus and Excess Lines Section.

One of the most significant statutory changes of the 70th Legislature required the creation of the Surplus Lines Stamping Office of Texas to assist the Board in handling the receipt of paper documents, investigations, financial analysis, and record keeping (Section 6A, Article 1.14-2, *Texas Insurance Code)*. The Stamping Office, which became operational on July 1, 1988, has completed its first full year of operation. The information and recommendations provided by the Stamping Office assist the Surplus & Excess Lines Section in determining the eligibility of surplus lines insurers and in pursuing action for violations of the *Texas Insurance Code*.

Increased activity for the section was experienced in many areas of routine responsibilities. As with most areas of the agency, the number of written and telephone inquiries increased substantially, particularly during the second half of the year. Part of the reason for the increase was the adoption of surplus lines rule changes designed to ensure protection of the state's tax revenue. The new rules require surplus lines agents to maintain interest-bearing accounts for collected premium taxes, and prevent the amounts from exceeding the federally-insured limits of $100,000. One additional staff position was created within the section for the purpose of examining the bank statements for compliance as required under the new rules. Additional inquiries were also received as a result of the change in the surplus lines premium tax rate as adopted by the 71st Legislature. An explanatory bulletin addressing its application was coordinated with the Stamping Office and mailed to all licensed surplus lines agents.

In addition to surplus lines insurance, this section oversees risk retention and purchasing groups formed under a federal act signed into law in late 1986. Although these groups are exempt from many state insurance laws, the 70th Legislature established licensing and admission requirements for risk retention groups domesticated in Texas. The law also established registration requirements and guidelines for foreign risk retention groups and purchasing groups (groups of businesses which band together to buy group liability insurance as a unit through licensed insurers, surplus lines insurers, or risk retention groups). Shortly before the beginning of Fiscal Year 1989, the Surplus and Excess Lines Section implemented rules for the processing and administration of registration filings from purchasing groups and foreign risk retention groups.

A total of 153 purchasing groups and 36 foreign risk retention groups registered with the section during the year bringing the total number in Texas to 184 purchasing groups and 40 foreign risk retention groups. Domestic risk retention groups are licensed as insurers by the Company License Section. During the year, the Surplus and Excess Lines Section began developing rules to strengthen control over questionable transactions to provide the maximum possible protection to the public allowed under federal law, state law and recent court decisions.

Insurance-Related Activities: The Insurance-Related Activities Section oversees the regulation of a diverse group of entities, including health maintenance organizations, premium finance companies, continuing care retirement communities, and prepaid legal services corporations. Because of the unique nature of each of these organizations, specialists within the section perform a wide range of tasks from financial examination to complaint processing.

Health Maintenance Organizations Regulation of Health Maintenance Organizations (HMOs) is unusual from other areas of insurance in that HMOs are regulated by both federal and state government. However, while federal regulation applies only to those HMOs which are federally certified, state regulation applies to any HMO conducting business in Texas. Because the HMO Unit has been responsible for both regulation and financial oversight of HMOs, the duties performed in the unit in Fiscal Year 1989 were diverse. Technicians and examiners review and analyze thousands of filings each year, including: new and revised evidence of coverage forms; rate filings; provider contracts; managements contracts; organizational documents such as bylaws and articles of incorporation; purchase, construction and lease agreements; bonds; reinsurance contracts; marketing plans; financial statements; complaint procedures; quality assurance and utilization review mechanisms; and changes in ownership and control.

The unit also processes and reviews documents for new HMOs seeking a certificate of authority as well as applications for service area expansion. During Fiscal Year 1989, four applications for ad-

missions were processed, with eight contiguous service area expansions. As of August 31, 1989, Texas had 50 licensed HMOs and HMO Divisions (40 full service and 10 single service), with approximately 1.6 million enrollees. This compares to 1988 figures of 49 HMOs with 1.3 million enrollees. One full service HMO is under the Liquidator's Office of the State Board of Insurance, and one full service HMO is currently under federal bankruptcy court.

The slight decrease in the number of licensed HMOs is due to mergers/acquisitions of several existing licensed HMOs and HMO divisions, and the voluntary dissolution of a division. Technicians and examiners in the HMO unit believe that the number of applications for new licenses was substantially below what had been predicted because of the troubled Texas economy, marketplace saturation, and the election of several entities to purchase existing HMOs instead of forming new ones.

The streamlining of filing requirements enacted under *S.B. 1132, Acts of the 70th Legislature,* has resulted in a significant improvement in work flow within the unit. Review of applications is now completed in a much more timely manner. The statute also created an HMO Solvency Surveillance Committee (Article 20A.36, *Texas Insurance Code*) to assist and advise the Commissioner in detection and prevention of HMO insolvencies. The HMO Unit works closely with the committee on a regular basis.

Figure 35. Summary of Activity - HMOs

Activity	FY 88	FY 89
Applications Processed	3	4
Service Area Expansion	5	8
New Forms Received	7,497	7,149
Forms Completed	8,210	5,114
Site Visits and Audits	83	183
Telephone Calls	9,328	10,925

Figure 36. Seven-Year Statistical Overview of HMO Industry In Texas

As of FY:	Approx. No. of Members	No. of Full Service HMOs*	No. of Single Service HMOs*
1983	272,446	13	-
1984	392,800	14	-
1985	564,430	24	-
1986	780,598	34	1
1987	1,043,823	43	4
1988	1,300,000	41	8
1989	1,626,099	40	10

* *Combines certificates of authority and divisions*

Prepaid Legal Prepaid Legal Services Corporations (PPLs) are similar to HMOs in that they provide legal benefits as the need arises in exchange for prepayment by enrollees. Many of the regulatory procedures and processes are similar to those which apply to HMOs, but there are distinctions as well. For example, unlike HMOs, rates for all PPLs must be approved or disapproved by the Board. The review of all policy forms as well as coordination of PPL-related activity within the agency and communications with the public are handled by the PPL Unit.

One non-profit legal service corporation and 30 insurance companies have been approved to include prepaid legal plans in their insurance product lines. This relatively new industry has grown steadily in terms of qualified companies and legal plan enrollment over the past several years.

Figure 37. Summary of Activity - Prepaid Legal

Activity	FY 88	FY 89
Forms Received	35	46
Forms Completed	32	31
Telephone Calls	817	438
Board Hearings	5	1

Continuing Care Retirement Communities Continuing Care Retirement Communities (CCRC's) have been in existence for a number of years, but were not required to be licensed until September 1, 1987 *(Article 8876, Texas Civil Statutes)*. CCRC's operate facilities that enter into contractual agreements to provide primarily lodging and health-related services to elderly residents. The agreements contain provisions that require residents to pay entrance fees ranging from $9,350 to $300,000 as full or partial consideration for acceptance as a resident.

All facilities licensed to date were processed under the "grandfathering" provisions of Section 4(g), Article 8876, *V.A.T.S.* It is expected that the total number of licensed facilities within the next fiscal year to be no more than 18.

Figure 38. Summary of Activity - Continuing Care Retirement Communities (CCRC's)

Activity	FY 88	FY 89
Applications Reviewed	1	23
New Licenses Issued	1	13
Actuarial Reviews Filed	0	4
Disclosure Statements Filed	3	16
Telephone Inquiries	153	518

Premium Finance Premium finance companies licensed under provisions of *Chapter 24, Texas Insurance Code*, are comprised of independent finance companies, insurance agents, insurance companies, and other financial institutions such as banks and savings and loans. It is the responsibility of the Premium Finance Unit to license, examine, investigate, and regulate the 422 premium finance companies licensed in Texas. In Calendar Year 1989, the premium finance industry financed $1.2 billion of insurance premiums.

Figure 39. Summary of Activity - Premium Finance

Activity	FY 88	FY 89
New Licenses Issued	34	38
Licenses Renewed	425	414
Examinations Completed	112	124
Annual Reports Analyzed	431	397
Complaints Investigated	134	143

FINANCIAL

The Financial Program is responsible for monitoring the solvency and business affairs of the more than 2,250 insurance companies licensed in Texas. Fiscal Year 1989 saw the emergence of a number of issues that brought the operations of the program under study and resulted in movement of Liquidation and Conservation activities from the Financial Program so the two groups report directly to the Commissioner.

Focus by lawmakers on the importance of solvency regulation for policyholder protection and concerns over the increasing numbers of insurer insolvencies resulted in the passage of legislation to increase capital and surplus requirements for life companies and foreign mutuals, institution of CPA audits of insurer finances and strengthening of requirements for allowable reinsurance. *(S.B. 255, Acts of the 71st Legislature).*

Fiscal Year 1989 also saw institution of regular briefings of the Commissioner on troubled companies under the auspices of the Early Warning Management Group, developmental work on an automated early warning system, review of financial and solvency issues by a management consulting firm and, most significantly, proposal by staff of rules to identify companies with hazardous operating conditions. The rules give the staff a yardstick against which to measure company operations.

The work of the Financial Program falls within two activities: (1) Corporate Affairs and (2) Reserve Actuaries. The Corporate Affairs Activity is, in turn, divided into four divisions: Examinations, Financial Analysis, Holding Company and Reinsurance.

CORPORATE AFFAIRS

Field Examination

This division is responsible for performing the financial examinations required by Articles 1.15 and 1.17, *Texas Insurance Code*.

Examinations are necessary to determine the financial condition of corporations, firms and persons writing insurance of any kind in this state, including their ability to meet all of their obligations. Examinations also are necessary to assure compliance with the laws of Texas affecting the business of insurance.

The Field Examination Division analyzes the results of each examination and recommends appropriate regulatory action where necessary. The division also is involved in developing and defining statutory insurance accounting principles and procedures.

The Director of Examinations supervises the division. Other personnel include an assistant chief examiner, four field assistant chief examiners, a field property and casualty actuary, approximately 70 field examiners and 15 support personnel. Field examiners are headquartered in North Texas, Central Texas and South Texas zones and work under the supervision of a field assistant chief examiner located in each zone.

During Fiscal Year 1989, this division completed 248 examinations.

Financial Analysis

This division is responsible for analyzing the annual statements required of all insurance companies licensed to do business in Texas. It also reviews interim financial reports when these are deemed necessary to more closely monitor individual company activities. Complete reviews are conducted on a continuing basis.

In Fiscal Year 1989, more than 2,250 annual statements were reviewed. In addition, analysts continuously monitored approximately 500 insurers which were required to file financial reports more

frequently than once a year and other financial statements of 425 insurers filing rate deviation requests.

Annual statements filed by insurers in Fiscal Year 1989 reflected $26,915,305,289 in premiums and $18,926,831,992 in claim payments applicable to Texas policyholders. The statements also showed that insurance companies operating in Texas had aggregate assets on a national basis of $1,619,340,213,081; liabilities of $1,433,357,148,080; and capital and surplus of $185,983,065,001.

More information from insurer annual statements can be found in Part IV of this report.

Holding Company

This division is responsible for administration of the Insurance Holding Company System Regulatory Act *(Article 21.49-1, Texas Insurance Code)*. In this capacity, it maintains registration statements of controlled insurance companies, examines transactions between insurance companies and their affiliates, reviews mergers and acquisitions of control, and reviews the valuation of investments in subsidiaries and affiliates.

The Holding Company Division reviewed 720 registration statements during Fiscal Year 1989 and received 709 applications for consideration of transactions with affiliates, acquisition of control and exemption from acquisition of control. During this same period, 761 pending applications were closed.

The 761 pending applications closed in Fiscal Year 1989 fell into the following categories:

- Issuance of surplus debentures, payments of money advanced, dividends and distributions to shareholders and consolidated tax returns - 283.
- Transactions involving management, service, cost sharing, data processing and lease arrangements - 174.
- Deposits in affiliated financial institutions, investment in affiliates, pledge of assets, purchase of securities, treasury stock, loans and real estate - 80.
- Reinsurance arrangements - 108.
- Acquisition of control and exemption from acquisition of control - 116.

Public hearings were held to consider 45 acquisitions, five mergers and eight reinsurance agreements.

The aggregate consideration paid for the acquisition of control of domestic insurance companies during the fiscal year was approximately $7,562,107,000, and increase of 4,618 percent over the previous fiscal year. The dramatic increase was due to a number of large acquisitions, particularly the purchase of Farmers Insurance Group by BATUS, which accounted for $5.2 billion of this amount.

The Holding Company Division also administers the Insurance Company Insider Trading and Proxy Regulation Act *(Article 21.48, Texas Insurance Code)* and assists in the review of applications under the Assets Protection Act *(Articles 21.39-A and 21.39-B, Texas Insurance Code)*. During the fiscal year, 113 insider trading reports and 15 proxy solicitations were received and reviewed.

Reinsurance

Because of the unique nature of reinsurance, the solvency of an insurer often depends on the reliability of its reinsurer. Although this aspect of an insurance company's operation was not widely regulated until recent decades, today the State Board of Insurance employs a staff of specialists who analyze reinsurance agreements to make sure that such treaties meet the strict requirements of state law and do not harm policyholders by jeopardizing the solvency of the primary insurer. As it evolves, this division is planning to develop a data base on accredited reinsurers, qualified U.S. financial institutions for letters of credit, trusteed reinsurers, qualified financial institutions eligible to

act as trust fiduciary and other information essential to the proper regulation of this complex part of insurance company financial affairs.

RESERVE ACTUARIES

Formerly called "Life Actuaries," this activity performs actuarial duties related to life insurance, annuities, and accident and health insurance. It consists of three divisions: (1) Field Actuarial, (2) Actuarial Analysis and (3) In-House Actuary.

Field Actuarial

This division reviews reserve liabilities and other actuarial matters in connection with the field examination of legal reserve life insurance companies, fraternal benefit societies and stipulated premium companies domiciled in Texas. This work normally is performed at the home offices of the companies. During Fiscal Year 1989, this division completed examinations of 106 companies.

Actuarial Analysis

This division audits and verifies the annual valuation reports of reserve liabilities filed by legal reserve life insurance companies and stipulated premium companies domiciled in Texas. Its duties also include the analysis of actuarial items contained in the annual statements of these companies, including non-ledger policy assets, reserve liabilities and the *Statement of Actuarial Opinion* signed by a qualified actuary. During Fiscal Year 1989, 215 reserve valuation reports were verified and 215 *Statements of Actuarial Opinion* were analyzed by this division. This division is currently working to automate a significant portion of the reserve checking process. In addition, the supervising actuary of this division is working on the development of the *Valuation Actuarial Concept* in Texas. This concept includes the matching of liabilities with supporting assets over time, which is intended to help with early warning efforts.

In-House Actuary

The In-House Actuary Division performs actuarial services as required by statute or regulation or as specifically requested by the Board, the Commissioner or the Senior Deputy Commissioner, Financial. The division assists other staff members with matters of an actuarial nature. During Fiscal Year 1989, this division worked on 209 separate actuarial projects.

COMPLIANCE

The purpose of the Compliance Program is to facilitate and to enforce compliance with the *Texas Insurance Code* by regulated entities, both licensed and unlicensed. This is achieved by monitoring the conduct of insurers as it relates to the policyholders and the public by:

- investigating alleged violations of the *Texas Insurance Code* by authorized and unauthorized insurance activities;
- prosecuting administrative, criminal and civil legal proceedings;
- providing information and assistance to the consuming public; and
- providing legal advice to the Commissioner of Insurance and to agency staff.

LEGAL SERVICES

The Legal Services Activity is responsible for representing State Board of Insurance staff in the administrative process on an attorney/client basis. It also provides a variety of other forms of legal assistance to the agency.

Attorneys in this activity:

- Participate in all Board and Commissioner's hearings and meetings in which legal support is requested or required, including administrative rate hearings and disciplinary hearings.
- Accumulate, prepare and present evidence as needed in such hearings and court proceedings.
- Participate in conferences with staff members, consumers and representatives of insurers in preparation of matters requiring legal support.
- Prepare Board and Commissioner orders in contested cases and administrative rulemaking matters.
- Draft rules and regulations for consideration by the Board.
- Respond to requests from the Board, the Commissioner and agency staff members for legal assistance and opinions.
- Assist the Attorney General in preparation of court cases referred to him by the State Board of Insurance and in defending lawsuits against the Board.

To conserve funds while continuing to provide staff with opportunities for quality training and continuing education, 16 videotaped in-house training seminars were produced within Legal Services. These included presentations by staff from other divisions to familiarize legal staff in greater detail with the agency's operations. Seminars also were offered featuring speakers from Baylor Law School, the Office of the Attorney General, and the industry. Legal staff throughout the State Board were able to earn more than 14 hours of continuing education credits through these efforts.

During Fiscal Year 1989, Legal Services continued to encourage development of specialized expertise among its staff. The legal staff was divided along functional lines. Attorneys in training work less complex disciplinary cases; two teams of more experienced attorneys handle the majority of disciplinary matters; and a fourth team specializes in complex, multi-violation cases. Investigators were brought together as a separate division to provide increased support and assistance to legal staff. Support staff were assigned directly to various teams and units within Legal Services.

During Fiscal Year 1987, approximately two disciplinary hearings were held per week, while approximately 15 per week were held during Fiscal Year 1988. By the end of Fiscal Year 1989, this number had increased to approximately 19 per week. One result of the steady increase in hearings was a substantial increase in the number of agent licenses revoked or denied because of violations of the *Texas Insurance Code*. During Fiscal Year 1989, the Commissioner signed orders revoking or denying 174 agents' licenses, compared with 33 revocations and denials in Fiscal Year 1987 and 79 in Fiscal Year 1988.

Figure 40. Summary of Activity - Legal Services

	FY 87	FY 88	FY 89
Cases received	1,130	1,282	1,631
Hearings (including reconvenings)	490	744	988
License Revocations/Denials	33	78	174
Revocations	28	49	135
Denials	5	29	39
License Suspensions	0	0	7
Monetary Forfeiture Orders	40	30	96
Approximate Forfeitures/Assessments/ Restitutions Collected	$ 421,000	$ 432,000	$9,898,582
Complaints/Inquiries Concluded	8,500	9,240	9,368
Case Assignments	2,002	2,733	2,810

Legal Services staff participated in significant disciplinary actions against companies involved in deceptive trade practices and misrepresentations to older Texans. Staff obtained Commissioner's orders against Amoco Life Insurance Company, American Life and Casualty Insurance Company and Western Fidelity Insurance Company, resulting in more than $1.4 million in refunds by the end of Fiscal Year 1989. An additional $8.1 million in refunds are anticipated during Fiscal Year 1990 from these actions.

New legal ground was broken when a district court in Travis County placed U.S. Annuity Life Insurance Company into receivership based on fraud and other violations of the *Texas Insurance Code*. This was a unique application of the receivership laws, in that the company was not insolvent but was involved in gross misrepresentations to senior citizens. A total of $1.8 million was seized by court order and could be refunded to policyholders through liquidation of the company. The case was developed by Legal Services prior to referral to the Attorney General for litigation.

Legal Services staff continued its cooperation with law enforcement agencies and substantially increased the number of successful prosecutions in which State Board of Insurance staff and attorneys participated. During Fiscal Year 1989, the following actions were taken:

Agents referred for prosecution	146
Agents indicted following referral	40
Convictions	14

Numerous referrals are pending grand jury action and/or final resolution.

Finally, at the close of Fiscal Year 1989, staff was preparing to use the newly-enacted cease and desist provisions of the *Texas Insurance Code*, which allow the Commissioner to issue *ex parte* orders in cases involving certain violations (S.B. 255 and H.B. 1099, *Acts of the 71st Legislature*). Under this new authority, if an individual or company is engaging in unfair competition or deceptive practices that create an immediate danger to the public, the Commissioner can move summarily to halt immediate or irreparable injury.

Unauthorized Insurance

One part of Legal Services is the Unauthorized Insurance Division which reviews, evaluates and investigates complaints or reports of possible violations of *Article 1.14-1, Texas Insurance Code*. This article describes the business of insurance and prohibits unlicensed insurance entities from conducting business in Texas, subject only to those exceptions provided by law. The Unauthorized Insurance Division coordinates efforts both within the State Board of Insurance and with other governmental agencies to identify and take measures against unauthorized insurers. The division also recommends necessary actions to the Commissioner of Insurance. These include referral of

cases to the Attorney General for injunctive relief and receivership. Where criminal prosecution is warranted, referrals are made to the appropriate agencies, including district attorneys and the Federal Bureau of Investigation (FBI).

Responsibilities placed on the State Board of Insurance by *Article 1.14-1, Texas Insurance Code* include protection of the public from victimization by unauthorized insurance operations. Other duties include protection of legitimate insurers from unfair and unregulated competition and collection of any taxes that may be due from unauthorized insurers other than eligible surplus lines insurers.

Current economic conditions have affected adversely the availability and affordability of certain coverages through the admitted market, particularly health coverages, bonds, workers' compensation, and automobile coverages. These adverse conditions have generated a dramatic increase in unauthorized activities requiring State Board of Insurance investigation, which is projected to continue well into the 1990's.

Unauthorized Insurance responds to and seeks resolution of citizen complaints; at the same time, it investigates entities and individuals potentially in violation of *Article 1.14-1, Texas Insurance Code* by determining the nature of the activity and evaluating any claims by these operations that they are outside agency jurisdiction because of an exemption provided in state or federal law.

Determinations conclusions were made in 190 cases during Fiscal Year 1989, almost five times the number of cases as in the previous fiscal year. Many of these cases were concluded by referral to Legal Services for disciplinary action against licensed entities engaging in unauthorized insurance activities.

Fifteen cases were referred to the Attorney General in Fiscal Year 1989, three times the number referred in Fiscal Year 1988. In referring cases to the Attorney General, Unauthorized Insurance provides not only investigative reports, exhibits, witness statements and testimony, but also prepares the pleadings necessary for initiation of a lawsuit. In addition, a substantial amount of time was spent on 16 cases involving active litigation, 11 cases pending administrative settlements or settlements by the Attorney General, and investigation of known unauthorized cases in preparation for Attorney General referral. It is anticipated that the number of cases referred to the Attorney General in Fiscal Year 1990 will exceed the total number of cases referred in all prior years.

Final judgments were entered in the following cases in Fiscal Year 1989: Allied Specialty Insurance Inc. and The Master Group (Texas Independent School Systems Association). Monetary judgments in these cases totaled $436,262 in penalties, taxes, court costs and fees, not including amounts of claim restitution to consumers.

During Fiscal Year 1989, Unauthorized Insurance continued its investigations of unlicensed entities that generate "lead cards" for insurance companies and agents by sending material through the mail, primarily to older Texans. The State Board of Insurance extended its cooperation to the Attorney General in addressing this problem. A total of 20 lead card cases were investigated during Fiscal Year 1989. Two lead card cases were referred to the Attorney General and additional cases were fully investigated and ready for referral at the close of the fiscal year. Legislation was passed in the 71st Legislature to clarify certain issues relating to these cases (H.B. 116, *Acts of the 71st Legislature).*

The staff of Unauthorized Insurance researched several complex issues involving the State's regulatory authority over activities which may not be traditionally considered as insurance products, including automobile extended service contracts and individual surety bonds. Additional research topics included tax questions, constitutional issues, pre-paid legal services and premium financing.

A significant new statute giving subpoena power to the Commissioner and the Board (Article 1.19-1, *Texas Insurance Code)* has enhanced the ability of the State Board of Insurance to obtain necessary discovery before referring unauthorized insurance matters to the Attorney General. In Fiscal Year 1989, a total of 24 subpoenas were served. Many entities agreed voluntarily to cease conducting unauthorized insurance activities or provided the documents upon request; others have resulted in referral to the Attorney General for enforcement of subpoenas served.

H.B. 1098, *Acts of the 71st Legislature* provided the Commissioner of Insurance with authority to issue cease-and-desist orders against unauthorized insurers. It is anticipated that this remedy may

help reduce the potential for harm to Texas consumers. By publicizing these orders, the agency also will address the problem through educating and alerting the public to unauthorized insurance activities.

Figure 41. Summary of Activity - Unauthorized Insurance

	FY 88	FY 89
Site Visits and Examinations	180	414
Cases Referred for Injunctive Relief	5	15
Cases Concluded	42	190
Telephone and Personal Conferences with the Public	3,968	5,547

MARKET CONDUCT

The Market Conduct Activity has two divisions that handle Complaints and Examinations.

Complaints

The Complaints Division provides assistance to policyholders, claimants and the general public in several ways. It examines and analyzes all complaints dealing with the claims-handling practices of licensed insurance companies. Despite the division's lack of statutory authority to settle bona fide claim disputes, the fact that the State Board of Insurance reviews complaints and business practices frequently results in a more thorough review of particular claims by the insurance companies involved. These cases often conclude with a more satisfactory resolution of the issues raised by the complaining policyholders and claimants. During Fiscal Year 1989, the complaints process resulted in insurers making an additional $17,020,755 in claims payments.

Although it is preferred that complaints be written, the division in Fiscal Year 1988 began accepting telephoned complaints from persons whose disabilities make it difficult, if not impossible, to write letters. Staff members record the essential details of such complaints on written forms, which are mailed to the complaining parties for signature.

Closed complaint cases are tabulated by company, type of complaint, reason for complaint and disposition. A monthly statistical report indicates trends in complaints and provides a basis for comparing the management of companies writing similar lines of insurance. An abnormal change in the type or number of complaints might be symptomatic of financial or other problems within a company. When a significant increase in complaints occurs, the insurer is required to explain the reason for the increase and describe how company management intends to correct problems that exist.

The Commissioner issued a directive to agency divisions to implement an automated document tracking system that had been piloted in the Complaints Division. Data entered on the document tracking system is used to produce a complaint ratio report by calculating the complaints received to premium volume. During Fiscal year 1989, the division began work on a publication presenting complaint statistics, including ratios, for all companies licensed to do business in Texas.

Because of the special problems that older Texans might have with insurance, a new section called Senior Issues and Concerns was created. Consisting of four examiners and support staff, this section is developing a specialized expertise in the insurance problems of senior citizens and the insurance products marketed to this segment of the population. The Senior Issues and Concerns section also produced a video tape in Fiscal Year 1989 that briefly explains how the State Board of Insurance functions, and more importantly, it addresses changes in Medicare laws. The video was widely publicized by press releases and by notices mailed to approximately 800 organizations serving senior citizens. Thirty-five copies of the tape were produced to meet the demand. Approximately 150 organizations borrowed copies of the tape during Fiscal Year 1989, and approxi-

mately 13,475 people viewed it. During Fiscal Year 1989 staff from the Complaints Division began offering presentations/training sessions for senior citizen groups around the state. Insurance booklets and workshop coordinators are available on request.

The Complaints Division's staff also had the responsibility of answering calls on the State Board of Insurance's toll-free consumer telephone line. More than 4,000 calls are received each month. This consumer service has expanded from three to six stations which simultaneously process calls and automatically queue two calls. In addition, a list of commonly asked questions and suggested answers is continually updated to assure correct and consistent responses by staff members who answer the consumer line.

Figure 42. Summary of Activity - Telephone Inquiries and Resolved Complaints

	FY 88	FY 89
Life, Accident & Health Complaints	14,064	19,124
Property & Casualty Complaints	7,758	7,615
Total Complaints Resolved	21,822	26,739
Telephone Inquiries Handled	106,266	106,181

Figure 43. Summary of Activity - Additional Claims Payments As The Result of Complaint Division Activity

	FY 88	FY 89
Life, Accident & Health	$ 7,965,730	$ 10,280,915
Property & Casualty	5,887,018	6,739,840
TOTAL	$ 13,852,748	$ 17,020,755

Market Conduct Examinations

The 70th Legislature approved funding to create a new division that performs market conduct examinations of insurance companies. During Fiscal Year 1989, this division had a staff of 10 people, including eight examiners.

The Market Conduct Examination Division is designed to determine how an insurer deals with its policyholders and the public. Examiners review the following areas of a company's operation:

1. licensing and appointment of agents;
2. advertising;
3. policy forms and filings;
4. underwriting and rating practices;
5. claims practices;
6. policyholder complaints and inquiries.

The purpose of these examinations is to verify compliance with the *Texas Insurance Code* and State Board of Insurance rules and to assist the Legal Services Activity with enforcement actions.

During Fiscal Year 1989, this division conducted 45 market conduct examinations. These examinations led to additional payments of $23,281.91 in premium refunds and $9,629.10 in claim payments. In addition, these examinations assisted the Advertising Division of the State Board of Insurance with several deceptive advertising cases. These cases, while on-going, had resulted in premium refunds totaling $1,345,449 by the close of the fiscal year.

STATE FIRE MARSHAL

During 1988, the most recent year for which data is available, data collected by the Texas Fire Incident Reporting System (TEXFIRS) indicates that fire departments responded to 138,279 fires in this state. These fires killed 299 people, injured an estimated 3,329 and destroyed at least $465,226,592 in property.

The objective of the State Fire Marshal's Office is to reduce the number of fire deaths and injuries in this state along with the incidence and severity of fires. Coordination, training and technical support are provided to municipal and rural fire departments, law enforcement agencies, federal and state agencies and other organizations with a need for, or interest in, fire safety. The State Fire Marshal's Office responds to requests for assistance from local officials in the investigation of fire incidents and prosecution of arson suspects. Facilities are inspected for fire hazards, and guidance and direction are provided in hazard removal. The State Fire Marshal's Office regulates and licenses fire extinguisher, fire alarm, fire sprinkler system and fireworks industries in accordance with statutory requirements. The authority for the State Fire Marshal's public safety efforts derives from the following statutes, many of which were recodified by the 70th Legislature:

Government Code, Title 4

1.	417.001	State Fire Marshal Defined
2.	417.002	State Fire Marshal, Appointment and Tenure
3.	417.003	Status as a Commissioned Officer
4.	417.004	General Powers and Duties
5.	417.005	Adoption of Rules
6.	417.006	Arson Investigators
7.	417.007	Investigation of Fire and Development of Fire Education Programs
8.	417.008	Inspections - Examination and Correction of Dangerous Conditions
9.	417.009	Delegation of Authority

Texas Insurance Code

1.	5.43-1	Fire Extinguishers
2.	5.43-2	Fire Alarms
3.	5.43-3	Fire Sprinklers
4.	5.43-4	Fireworks
5.	5.46	Arson Reporting Immunity
6.	5.25	Fire Data Collection

Safety Code, Title 133

1.	9201	Flammable Liquids at Retail Service Stations

Vernon's Annotated Civil Statutes

1.	Title 63, 3955-3972c	Texas Fire Escape Law
2.	6145-14	State Capitol Inspection

Significant highlights of Fiscal Year 1989 include:

1. The Legislature added several responsibilities to the State Fire Marshal's Office, to be accomplished within existing resources:

   a. The fire alarm licensing program will now include regulation of fire alarm monitoring activities (H.B. 1383, *Acts of the 71st Legislature*).

   b. Fire prevention education authority was added and programs are being developed for phased implementation (S.B. 320, *Acts of the 71st Legislature*).

   c. In the area of fire investigation, certain burning of open-space land is now defined as an act of arson; also, the categories of persons who can request an arson investigation from the State Fire Marshal have been expanded to include a greater number of local officials (S.B. 12, *Acts of the 71st Legislature.*)

d. Proposed rules are being prepared to implement amendments to flammable liquids statutes to cover regulation of unattended gasoline service stations as well as above-ground storage tanks in designated areas of counties and some municipalities, including airports as required by H.B. 995, H.B. 1794 and H.B. 698, *Acts of the 71st Legislature*.

2. Rules were implemented to begin inspection of horse and dog racing facilities which must be inspected before they can be approved by the Texas Racing Commission *(Article 179e, V.T.C.S.)*.

3. The computerized license tracking system implemented last year has greatly assisted in reducing the average length of time for license processing from 17 days to nine days.

4. As anticipated, the second staff attorney hired in mid-Fiscal Year 1988 has enabled the State Fire Marshal's Office to reduce the backlog of disciplinary actions involving licensed companies. The number of formal hearings increased, and many actions were settled prior to hearing.

5. In mid-Fiscal Year 1989, a fire protection engineer was added to the staff, providing much-needed technical expertise and assistance to various programs.

General Management

It is the responsibility of this activity to supervise, coordinate, administer and monitor all functions and activities to assure efficient operation and sound application of and adherence to statutes, codes, rules, regulations and orders. Statistics on fire losses, deaths and injuries are collected, tabulated, analyzed and provided to the fire service and the general public and are used in the development of internal programs.

Figure 44. State Fire Marshal - General Management - Summary of Activity

	FY 88	FY 89
Telephone requests for assistance/ Information	46,621	50,924
Correspondence	209,069	204,158
Forms, Pamphlets, Etc. Disseminated	278,022	287,926
Hearings	24	94
Fire Marshal Orders	12	27

Arson Investigation and Inspection

Arson Investigation: This activity provides, upon request, investigation by licensed peace officers to determine the origin, cause and circumstances of fires and to identify suspects in arson fires and assist in their prosecution.

Figure 45. State Fire Marshal - Arson Investigation and Inspection - Summary of Activity

	FY 88	FY 89
Investigations Requested	451	456
Investigations Conducted	349	432
Follow-up Investigations Conducted	404	657
Findings:		
Accidental	80	72
Undetermined	117	75
Suspicious	7	4
Arson	145	211
Vandalism	0	0
Arson Cases Filed:	68	117
Indictments	69	138
Convictions	28	52
Investigation Training Programs Conducted	17	19

Fire Safety Inspection: This activity conducts fire and life safety inspections of various occupancies as provided by statute. Inspection of mercantile, manufacturing and public buildings, and places of public amusement or assembly are conducted upon complaint or request pursuant to *Government Code, Title 4, Chapter 417.008*. Inspections of the Texas State Capitol are performed in accordance with *Article 6145-14, V.T.C.S.* Inspection of the storage, handling and use of flammable liquids at retail service stations and operation of mobile service units are conducted in accordance with *Safety Code, Title 133, Article 9201*. Fire escapes in certain buildings of three or more stories and schools of two or more stories are inspected to determine compliance with *Title 63, Article 3955-3972e, V.T.C.S.* In addition, this division reviews plans for new or remodeled jails at the request of the Jail Standards Commission. Hazards or discrepancies discovered are monitored for compliance by remedy or removal.

Figure 46. State Fire Marshal - Fire Safety Inspections - Summary of Activity

	FY 87	FY 88
Inspections Requested	686	1,461
Inspections Completed (Includes self-initiated)	1,288	2,623
Reinspections Made	1,102	1,988
Buildings Inspected by Occupancy Type:		
Assembly	728	926
Education	2,187	3,110
Health Care	36	37
Penal	41	18
Residential	802	1,060
Mercantile	433	1,238
Business	790	866
Industrial	64	65
Storage	53	131
Other	76	47
Mixed	54	57
TOTAL	7,111	7,555
Inspections of Flammable Liquids Facilities	382	351
Inspections of Fireworks Facilities/Display Sites	111	1,495
Review of Plans for New/Remodeled Jails	78	24

Licensing

This activity is responsible for registering companies and licensing individuals, as required by statute, and for verifying applicants' qualifications through examination and application evaluation. Fire alarm, fire sprinkler system and fire extinguisher companies are registered; certain fire extinguisher, fireworks, fire sprinkler system, and fire alarm company employees are tested and licensed; and various types of fireworks licenses and permits are issued. Inspections of companies are made and investigations are conducted on suspected violations.

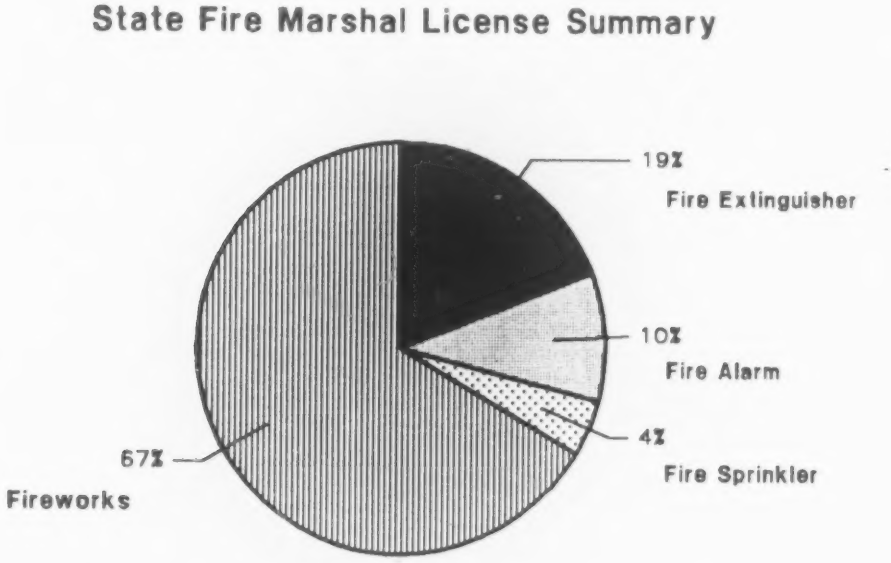


Figure 47. State Fire Marshal - Examination and Renewal Notices

	Examinations	Renewal Notices
Fire Extinguisher	419	1,750
Fire Alarm	640	721
Fire Sprinkler	36	359
Fireworks	22	467
TOTALS	1,117	3,297

Figure 48. State Fire Marshal License Summary

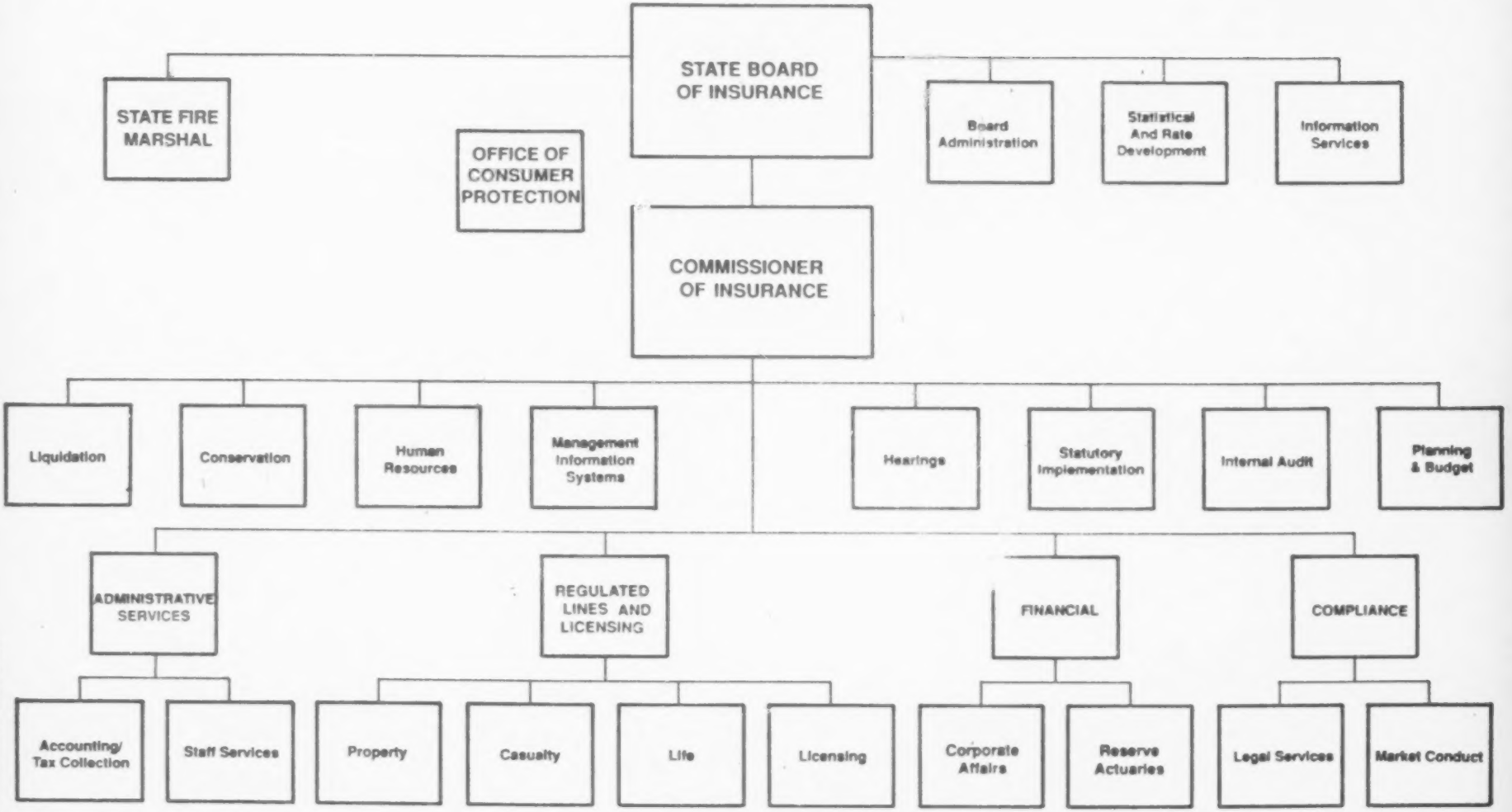
	New	Renewal	Total
Fire Extinguisher			
Certificates of Registration (CR)	61	290	351
Branch Office CR	4	35	39
Hydrostatic Testing CR	3	60	63
Licenses (Type A and B)	172	1,049	1,221
Licenses (Type PL)	13	--	13
Apprentice Permits	67	--	67
Subtotals	320	1,434	1,754
Fire Alarm			
Certificates of Registration (CR)	61	156	217
Branch Office CR	20	40	60
Technician Licenses	205	373	578
Planning Superintendent Licenses	60	--	60
Subtotals	346	569	915
Fire Sprinkler			
Certificates of Registration (CR)	24	137	161
RMI Licenses	32	211	243
Subtotals	56	348	404
Fireworks			
Manufacturer's Licenses		2	2
Distributor's Licenses		21	21
Jobber's Licenses	4	12	16
Importer's Licenses	2	20	22
Pyrotechnic Operator's Licenses	23	364	387
Display Licenses	1	3	4
Display Permits	334	--	334
Retail Permits	5,314	--	5,314
Agricultural Industrial or Wildlife Control Permits	3	--	3
Subtotals	5,681	422	6,103
GRAND TOTALS	6,403	2,773	9,176

Figure 49. State Fire Marshal - Licensing Investigations and Disciplinary Actions

	Fire Alarm	Fire Extinguisher	Fire Sprinkler	Fire-Works	Total
Requests for Investigations	137	156	66	16	375
Investigations Conducted	127	86	63	10	286
Follow-up Investigations Conducted	10	23	13	1	47
Investigation Files Closed	43	58	28	7	136
Company Inspections Conducted	15	29	0	313	357
Follow-up Inspections Conducted	0	0	0	21	21
Inspection Cases Closed	2	13	0	282	297
Cases Filed for Admin. Action	33	70	27	0	130
Hearings Conducted	3	1	1	0	5

ORGANIZATION CHART

STATE BOARD OF INSURANCE ORGANIZATION CHART



As of August 31, 1989

PART II - REPORT ON LICENSE ACTIVITY OF INSURANCE COMPANIES ORGANIZED OR ADMITTED IN TEXAS

Figure 50. Certificates of Authority By Type as of August 31, 1989

	DOMESTIC	FOREIGN	TOTAL
Stock Life Insurance Companies	290	655	945
Mutual Life Insurance Companies	3	84	87
Stipulated Premium Life Insurance Companies	65	0	65
Non-Profit Life Insurance Companies	0	1	1
Stock Fire Insurance Companies	3	8	11
Stock Fire & Casualty Insurance Companies	113	582	695
Mutual Fire & Casualty Insurance Companies	8	65	73
Stock Casualty Insurance Companies	5	50	55
Mexican Casualty Insurance Companies	0	9	9
Lloyds	89	1	90
Reciprocal Exchanges	13	13	26
Fraternal Benefit Societies	12	28	40
Title Insurance Companies	6	15	21
Non-Profit Legal Services Corporations	1	0	1
Health Maintenance Organizations	36	1	37
Risk Retention Groups	2	0	2
Third-Party Administrators	24	31	55
Continuing Care Retirement Communities	12	2	14
TOTAL	682	1,545	2,227
Statewide Mutual Assessment Life, Health and Accident Insurance Companies	2		2
Local Mutual Aid Associations	36		36
Burial Associations	15		15
Exempt Associations	14		14
Non-Profit Hospital Service Corporations	1		1
County Mutual Fire Insurance Companies	24		24
Farm Mutual Fire Insurance Companies	25		25
TOTAL	117		117
GRAND TOTAL	799	1,545	2,344

Figure 51. New Companies Organized or Admitted to Texas Between September 1, 1988 and August 31, 1989

	DOMESTIC	FOREIGN	TOTAL
Stock Life Insurance Companies	3	4	7
Stipulated Premium Ins. Companies	3	0	3
Stock Fire & Casualty Ins. Companies	1	6	7
Stock Fire Insurance Companies	0	1	1
Stock Casualty Insurance Companies	0	2	2
Lloyds	1	0	1
Health Maintenance Organizations	3	0	3
Continuing Care Retirement Communities	11	2	13
Third Party Administrators	24	31	55
TOTAL	46	46	92

Figure 52. Reconciliation

Companies Licensed as of August 31, 1988	2,291
Companies Organized or Licensed During Year	92
Less Companies Reinsured, Merged, Withdrawn, Dissolved, Redomesticated, Domesticated or Placed in Permanent Receivership During Year	39
Companies Licensed as of August 31, 1989	2,344

New Domestic Companies Organized in Texas Between September 1, 1988 and August 31, 1989

Date Licensed	***Stock Life Insurance Companies***
11-02-88	Meridian Life Insurance Company San Antonio, Texas
05-31-89	United Trust Life Insurance Company Dallas, Texas
01-25-89	WFC Insurance Company Austin, Texas

Date Licensed	***Stipulated Premium Insurance Companies***
12-29-88	American Funeral Plan and Life Insurance Company Atlanta, Texas
03-28-89	Gipson Life Insurance Company Lufkin, Texas
12-23-88	Hopkins County Life Insurance Company Austin, Texas

Date Licensed	***Stock Fire and Casualty Insurance Companies***
11-16-88	New Millers Casualty Insurance Company, The Fort Worth, Texas

Date Licensed	***Lloyds***
09-09-88	Continental Lloyd's Insurance Company Dallas, Texas

Date Licensed	***Health Maintenance Organizations***
04-14-89	Alpha Dental Programs, Inc. Dallas, Texas
10-03-88	Alternative Dental Care of Texas, Inc. Irving, Texas
06-29-89	American General Health Plan, Inc. Houston, Texas

Date Licensed	***Continuing Care Retirement Communities***
06-29-89	Air Force Village II, Inc. dba Air Force Village II San Antonio, Texas
08-16-89	Brazos Presbyterian Homes, Inc. dba Bayou Manor Houston, Texas
08-16-89	Brazos Presbyterian Homes, Inc. dba The Hallmark Houston, Texas

12-29-88	C. C. Young Memorial Home Dallas Texas
08-16-89	Cumberland Rest, Inc., The dba Trinity Terrace Fort Worth, Texas
06-02-89	Grace Presbyterian Village Ministries dba Grace Presbyterian Village dba Presbyterian Village Dallas, Texas
03-24-89	John Knox Villages of Lubbock, Inc. dba John Knox Village of Lubbock Lubbock, Texas
06-02-89	John Knox Villages of the Lower Rio Grande Valley, Inc. dba John Knox Village of the Rio Grande Valley Weslaco, Texas
05-03-89	Midland Presbyterian Homes dba Trinity Towers Manor Park Midland, Texas
11-16-88	Presbyterian Manor, Inc. Wichita Falls, Texas
08-01-89	Westminster Manor Health Facilities Corporation of Travis County, Texas dba Westminster Manor dba Westminster Health Care Center Austin, Texas

Date Licensed	***Third Party Administrators***
12-29-88	Alpha Data Systems, Inc. Dallas, Texas
12-09-88	Association Risk Management Austin, Texas
02-24-89	Automated Benefit Services, Inc. Houston, Texas
12-29-88	Benefit Planners, Inc. San Antonio, Texas
08-30-89	CBS International, Inc. Dallas, Texas
08-16-89	Employee Security Administration, Inc. Dallas, Texas
12-29-88	Employer Plan Services, Inc. Houston, Texas
12-09-88	Employers Claims Adjustment Services, Inc. Dallas, Texas
07-07-89	Health Economics Corporation Dallas, Texas
12-29-88	Healthcare Benefits, Inc. Richardson, Texas

03-03-89	Hillhouse Associates Insurance, Inc. Austin, Texas
08-30-89	Insurance Benefit Services, Inc. Houston, Texas
04-07-89	Insurance Management Services Amarillo, Texas
12-29-88	Insurdata Incorporated Irving, Texas
01-20-89	National Plan Administrators, Inc. Austin, Texas
06-02-89	P. Miller & Associates Computer Service, Inc. Dallas, Texas
12-29-88	Plan Administrators, Inc. Corpus Christi, Texas
08-16-89	Sid Murray Company, The Corpus Christi, Texas
03-03-89	Smartsmile, Inc. Houston, Texas
12-29-88	Star Administrative Services, Inc. San Antonio, Texas
04-07-89	Third Party Administrators, Inc. Garland, Texas
12-09-88	Tryco Administrative Services, Inc. Bellaire, Texas
12-09-88	Tucker & Clark, Inc. Dallas, Texas
12-29-88	Young Insurance Agency El Paso, Texas

New Foreign Companies Admitted to Texas Between September 1, 1988 and August 31, 1989

Date Licensed	***Stock Life Insurance Companies***
03-13-89	Investors Insurance Corporation Wilmington, Delaware
12-07-88	Southern Security Life Insurance Company Maitland, Florida
12-30-88	United Health and Life Insurance Company Phoenix, Arizona
08-10-89	United Wisconsin Life Insurance Company Milwaukee, Wisconsin

Date Licensed	***Stock Fire & Casualty Insurance Companies***
12-29-88	American Fire and Casualty Company Hamilton, Ohio
03-28-89	Bankers and Shippers Insurance Company Hartford, Connecticut
08-02-89	Bonneville Insurance Company Beaverton, Oregon
06-21-89	Southeastern Fidelity Insurance Company Assumed Name of Windsor Insurance Company Indianapolis, Indiana
02-08-89	Taisho Marine and Fire Insurance Company of America New York, New York
08-10-89	Westwood Insurance Company Lisle, Illinois

Date Licensed	***Stock Fire Insurance Companies***
01-27-89	IGF Insurance Company Des Moines, Iowa

Date Licensed	***Stock Casualty Insurance Companies***
04-10-89	Capital Guaranty Insurance Company Baltimore, Maryland
09-23-88	FGIC Mortgage Insurance Company New York, New York

Date Licensed	***Continuing Care Retirement Communities***
06-28-89	Air Force Village Foundation, Inc. dba Air Force Village I Washington, D.C.
05-31-89	Army Retirement Residence Foundation-San Antonio, Inc., The dba The Army Residence Community Washington, D.C.

Date Licensed	*Third Party Administrators*
12-09-88	A. I. A., Inc. Lewiston, Idaho
07-07-89	AAFP Insurance Services, Inc. Kansas City, Missouri
04-07-89	Administrators Corporation (TAC), The Fort Lauderdale, Florida
08-16-89	American Institute of Management Services, Inc. Winston-Salem, North Carolina
04-07-89	American Selfcare Corporation Columbus, Georgia
12-09-88	Association Administrators & Consultants, Inc. Irvine, California
06-02-89	Association Group Agency, Inc. Webster City, Iowa
07-07-89	Benefit Administrators Of America, Inc. Des Moines, Iowa
08-30-89	Benefitamerica, Inc. Columbia, South Carolina
08-30-89	Brokerage Services, Inc. Albuquerque, New Mexico
08-30-89	Concept Administrators Inc. Sacramento, California
08-16-89	David Lloyd Jelinek Chicago, Illinois
08-16-89	Employee Benefit Services, Inc. Shreveport, Louisiana
08-30-89	Equicor, Inc. Nashville, Tennessee
05-22-89	Health Plans, Inc. Worcester, Massachusetts
07-07-89	Healthcare Benefits Service Company of New Jersey, Inc. Bridgewater, New Jersey
04-18-89	Imperial Industries Burbank, California
05-10-89	Insurance Resources Management Corporation Monroe, Louisiana
08-16-89	James Group Service, Inc. Chicago, Illinois
12-09-88	John O. Felker Benefit Services, Inc. St. Louis, Missouri
08-16-89	Jordan Jones & Associates, Inc. Sacramento, California

07-07-89	Leland A. Wolf and Associates, Inc. Foster City, California
04-25-89	Lewer Agency, Inc., The Kansas City, Missouri
08-30-89	Lincoln National Administrative Services Corporation Fort Wayne, Indiana
12-09-88	Management Corporation of America Newport, Arkansas
12-09-88	National Accident Insurance Underwriters, Inc. Itasca, Illinois
07-07-89	R. E. Harrington, Inc. Westerville, Ohio
08-16-89	Robert C. Bouck, Inc. Leawood, Kansas
12-29-88	Selman & Company Cleveland, Ohio
12-09-88	Star Marketing and Administration, Inc. Des Plaines, Illinois
04-07-89	Variable Protection Administrators, Inc. Cleveland, Ohio

Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated, Domesticated or Placed in Permanent Receivership

Between September 1, 1988 and August 31, 1989

Figure 53. Totals - Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated or Placed in Permanent Receivership

	Reinsured or Merged	Dissolved or Withdrawn	Redomesticated or Domesticated	Permanent Receivership	TOTAL
DOMESTIC COMPANIES					
Stock Life	4	3		2	9
Mutual Life	1				1
Stock Fire & Casualty	1				1
Stock Casualty	1	1			2
Lloyds		2		1	3
Local Mutual Aid	2				2
County Mutual				1	1
TOTAL	9	6	—	4	19
FOREIGN COMPANIES					
Stock Life	2		2	2	6
Stock Fire & Casualty	2		4	2	8
Mutual Fire & Casualty		3		2	5
Stock Casualty			1		1
TOTAL	4	3	7	6	20
GRAND TOTAL	13	9	7	10	39

Domestic Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated, Domesticated or Placed in Permanent Receivership

Between September 1, 1988 and August 31, 1989

Associated Bankers Life Insurance Company, Denton, Texas, (Stock Life) merged into Hill Country Life Insurance Company, Austin, Texas, (Stock Life) (12-29-88)

Citizens Insurance Company of America, Austin, Texas, (Stock Life) merged into Continental Investors Life Insurance Company, Inc., Englewood, Colorado, (Stock Life) (12-01-88)

Confidence Life Insurance Company, Waco, Texas, (Stock Life) placed in permanent receivership, (06-12-89)

Credit Guard Life Insurance Company, Houston, Texas, (Stock Life) placed in permanent receivership, (06-05-89)

First Independent Bankshares Life Insurance Company, Abilene, Texas, (Stock Life) voluntarily dissolved, (09-23-88)

Folio Mortgage Insurance Company, Dallas, Texas, (Stock Casualty) voluntarily dissolved, (05-22-89)

Insurance Company of America, Austin, Texas, (Stock Life) merged into Continental Investors Life Insurance Company, Inc., Englewood, Colorado, (Stock Life) (12-01-88)

Jackson National Life Insurance Company of Texas, Dallas, Texas, (Stock Life) merged into Jackson National Life Insurance Company, Lansing, Michigan, (Stock Life) (12-28-88)

Klein Service Insurance Association, Tomball, Texas, (Local Mutual Aid) reinsured by Landmark Life Insurance Company, Brownwood, Texas, (Stipulated Premium) (12-29-88)

Lemons Funeral Home Benefit Association, Plainview, Texas, (Local Mutual Aid) reinsured by Funeral Directors Life Insurance Company, Brady, Texas, (Stock Life) (11-29-88)

National County Mutual Fire Insurance Company, Dallas, Texas, (County Mutual) placed in permanent receivership, (05-09-89)

North American Lloyds of Texas, Amarillo, Texas, (Lloyds) placed in permanent receivership, (06-06-89)

Old United Casualty Company, Austin, Texas, (Stock Casualty) merged into Old United Casualty Company, Merriam, Kansas (not licensed in Texas), (Stock Casualty) (04-28-89)

Practorian Mutual Life Insurance Company, Irving, Texas, (Mutual Life) merged into State Mutual Insurance Company, Rome, Georgia, (Stock Life) (05-31-89)

RMS Life Insurance Company, Houston, Texas, (Stock Life) voluntarily dissolved, (07-13-89)

SWS Lloyds Insurance Company, Dallas, Texas, (Lloyds) voluntarily dissolved, (05-22-89)

United General Insurance Company, Corpus Christi, Texas, (Stock Fire & Casualty) merged into United General Life Insurance Company, Corpus Christi, Texas, (Stock Life) (12-28-88)

Victoria Lloyds Insurance Company, Dallas, Texas, (Lloyds) voluntarily dissolved, (07-13-89)

Virginia Life Insurance Company, Fort Worth, Texas, (Stock Life) voluntarily dissolved, (05-22-89)

Foreign Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated, Domesticated or Placed in Permanent Receivership

Between September 1, 1988 and August 31, 1989

American Fire and Casualty Company, Orlando, Florida, (Stock Fire & Casualty) redomesticated to Hamilton, Ohio, (12-29-88)

American Mutual Insurance Company of Boston, Wakefield, Massachusetts, (Mutual Fire & Casualty) placed in permanent ancillary receivership, (07-07-89)

American Mutual Liability Insurance Company, Wakefield, Massachusetts, (Mutual Fire & Casualty) placed in permanent ancillary receivership, (07-07-89)

Bankers and Shippers Insurance Company of New York, New York, New York, (Stock Fire & Casualty) redomesticated to Hartford, Connecticut, (03-28-89)

Bankers Union Life Insurance Company, Englewood, Colorado, (Stock Life) merged into Massachusetts General Life Insurance Company, Boston, Massachusetts, (Stock Life) (09-30-88)

Bell National Life Insurance Company, Gaithersburg, Maryland, (Stock Life) redomesticated to Phoenix, Arizona, (12-30-88)

Celina Mutual Insurance Company, The, Celina, Ohio, (Mutual Fire & Casualty) voluntarily withdrew, (01-20-89)

Constellation Reinsurance Company, New York, New York, (Stock Fire & Casualty) placed in liquidation in New York therefore license cancelled in Texas, (08-10-89)

First Columbia Life Insurance Company, Baton Rouge, Louisiana, (Stock Life) placed in permanent receivership, (05-30-89)

First Transcontinental Life Insurance Corporation, Milwaukee, Wisconsin, (Stock Life) placed in permanent ancillary receivership, (08-02-89)

Great Global Assurance Company, The, Scottsdale, Arizona, (Stock Fire & Casualty) placed in permanent receivership, (12-09-88)

Investors Insurance Corporation, Tigard, Oregon, (Stock Life) redomesticated to Wilmington, Delaware, (03-13-89)

Lititz Mutual Insurance Company, Lititz, Pennsylvania, (Mutual Fire & Casualty) voluntarily withdrew, (10-03-88)

Millers Casualty Insurance Company of Texas, The, Wilmington, Delaware, (Stock Fire & Casualty) merged into New Millers Casualty Insurance Company, The, Fort Worth, Texas, (Stock Fire & Casualty) (12-08-88)

Ohio Republic Mutual Insurance Company (Assumed name of Republic Mutual Insurance Company), Celina, Ohio, (Mutual Fire & Casualty) voluntarily withdrew, (10-11-88)

Prudential Mortgage Insurance Company, Baltimore, Maryland, (Stock Casualty) redomesticated to New York, New York, (09-23-88)

Southeastern Fidelity Insurance Company, Atlanta, Georgia, (Stock Fire & Casualty) redomesticated to Indianapolis, Indiana, (06-21-89)

Southern National Insurance Company, Shreveport, Louisiana, (Stock Fire & Casualty) merged into Bonneville Automobile Insurance Company, Beaverton, Oregon (not licensed in Texas), (Stock Fire & Casualty) (01-04-89)

SwissRe Life Insurance Company, Wilmington, Delaware, (Stock Life) reinsured by North American Reassurance Company, New York, New York, (Stock Life) (12-07-88)

Taisho Marine and Fire Insurance Company, Limited, Tokyo, Japan, (Stock Fire & Casualty) domesticated to New York, New York, (02-08-89)

Domestic Companies That Have Changed Name, Moved Home Office or Been Reclassified

Between September 1, 1988 and August 31, 1989

American First Life Insurance Company, Richardson, Texas, (Stock Life) moved home office to Dallas Texas, (12-30-88)

American Hallmark Insurance Company of Texas, Farmers Branch, Texas, (Stock Fire & Casualty) moved home office to Dallas, Texas, (07-18-89)

Bankers Protective Life Insurance Company, Dallas, Texas, (Stipulated Premium) moved home office to Austin, Texas, (03-13-89)

Bay Harbor Life Insurance Company, La Porte, Texas, (Stock Life) changed name and moved home office to First Bankers Life Insurance Company, Houston, Texas, (05-26-89)

Central Security Life Insurance Company, Fort Worth, Texas, (Stock Life) moved home office to Richardson, Texas, (06-02-89)

Comco Insurance Company, Seguin, Texas, (Stock Fire & Casualty) moved home office to Houston, Texas, (06-21-89)

Commercial Life and Accident Insurance Company, Denton, Texas, (Stock Life) moved home office to Dallas, Texas, (12-28-88)

Commercial Life and Accident Insurance Company, Dallas, Texas, (Stock Life) moved home office to Hurst, Texas, (06-02-89)

Countrywide Life Insurance Company, Plano, Texas, (Stock Life) moved home office to Austin, Texas, (08-30-89)

Cumberland Casualty & Surety Company, Pasadena, Texas, (Stock Fire & Casualty) moved home office to Houston, Texas, (11-02-88)

Dallas Fire Insurance Company, Dallas, Texas, (Stock Fire) moved home office and converted to Fort Worth, Texas, Stock Fire & Casualty, (04-07-89)

First Continental Life & Accident Insurance Co. of Texas, Houston, Texas, (Stock Life) changed name to Lomas Life & Accident Insurance Co. of Texas, (10-03-88)

First of Groves Life Insurance Company, Dallas, Texas, (Stock Life) changed name to TexasRe Life Insurance Company, (12-07-88)

First Security Life Insurance Company of Texas, Hye, Texas, (Stock Life) moved home office to Irving, Texas, (08-01-89)

Hill Country Life Insurance Company of America, Austin, Texas, (Stock Life) changed name to Franklin American Life Insurance Company of Texas, (04-18-89)

Humana Health Plan of Texas, Inc., Austin, Texas, (Health Maintenance Organization) moved home office to Corpus Christi, Texas, (12-13-88)

Independent County Mutual Fire Insurance Company, Houston, Texas, (County Mutual) moved home office to League City, Texas, (01-20-89)

Insurance Investors Life Insurance Company, Fort Worth, Texas, (Stock Life) moved home office to Dallas, Texas, (06-29-89)

Lomas Life & Accident Insurance Co. of Texas, Houston, Texas, (Stock Life) changed name to First Continental Life & Accident Insurance Co. of Texas, (05-10-89)

Maxicare Texas, Inc., Houston, Texas, (Health Maintenance Organization) changed name to Sanus/New York Life Health Plan, Inc., (03-29-89)

Memorial Service Life Insurance Company, Abilene, Texas, (Stipulated Premium) moved home office to Dallas, Texas, (10-03-88)

Midland Financial Life Insurance Company, Midland, Texas, (Stock Life) changed name and home office to Kilpatrick Life Insurance Company, Arlington, Texas, (10-05-88)

Montfort Insurance Company, Dallas, Texas, (Stock Fire & Casualty) moved home office to Lubbock, Texas, (01-30-89)

Montfort Life Insurance Company, San Antonio, Texas, (Stock Life) changed name and moved home office to Normandy Life Insurance Company, Dallas, Texas, (05-22-89)

Nail-Haggard Life Insurance Company, Daingerfield, Texas, (Stipulated Premium) changed name and moved home office to United Assurance Life Insurance Company, North Richland Hills, Texas, (12-29-88)

National Capital Life Insurance Company, Dallas, Texas, (Stock Life) changed name and moved home office to Earthman National Capital Life Insurance Company, Houston, Texas, (06-02-89)

New Millers Casualty Insurance Company, The, Fort Worth, Texas, (Stock Fire & Casualty) changed name to Millers Casualty Insurance Company of Texas, (12-08-88)

NTA Life Insurance Company, Dallas, Texas, (Stock Life) changed name to National Teacher Associates Life Insurance Company, (10-11-88)

Old Reliable Life Insurance Company, Houston, Texas, (Stock Life) changed name to M. A. B. S. Life Insurance Company, (08-10-89)

Omaha Financial Life Insurance Company of Texas, Dallas, Texas, (Stock Life) changed name and moved home office to FHC Life Insurance Company, Fort Worth, Texas, (03-20-89)

Renaissance Insurance Company, Farmers Branch, Texas, (Stock Fire & Casualty) moved home office to Dallas, Texas, (08-16-89)

Savers Annuity Insurance Company, Hurst, Texas, (Stock Life) changed name and moved home office to Mayflower National Life Insurance Company of Texas, Dallas, Texas, (09-27-88)

Secured Insurance Corporation, Hye, Texas, (Stock Fire & Casualty) changed name to Charter Indemnity Company, (12-30-88)

Sunwealth Life Insurance Company, San Antonio, Texas, (Stock Life) changed name to First American Life Insurance Company, (08-01-89)

Texas Investors Life Insurance Company, San Antonio, Texas, (Stock Life) moved home office to Dallas, Texas, (11-02-88)

Trans-Western Life Insurance Company, Waco, Texas, (Stipulated Premium) moved home office to Austin, Texas, (02-24-89)

Travelers Lloyds Insurance Company, Dallas, Texas, (Lloyds) moved home office to Richardson, Texas, (12-22-88)

Western Bancorporation Life Insurance Company of Texas, Houston, Texas, (Stock Life) changed name and moved home office to Great National Life Insurance Company, San Antonio, Texas, (12-29-88)

Western Indemnity Insurance Company, Austin, Texas, (Stock Fire & Casualty) moved home office to Houston, Texas, (12-22-88)

White Life Insurance Company, Waco, Texas, (Stock Life) moved home office to Houston, Texas, (12-13-88)

White Life Insurance Company, Houston, Texas, (Stock Life) changed name to Lamar Life Insurance Company of Texas, (04-25-89)

Foreign Companies That Have Changed Name, Moved Home Office, Or Been Reclassified

Between September 1, 1988 and August 31, 1989

Allied American Insurance Company, Lincolnwood, Illinois, (Stock Fire & Casualty) moved home office to Park Ridge, Illinois, (05-10-89)

American Merchants Casualty Company, Minneapolis, Minnesota, (Stock Fire & Casualty) moved home office to Minnetonka, Minnesota, (08-30-89)

American Progressive Life Insurance Company, Nashville, Tennessee, (Stock Life) moved home office to Brentwood, Tennessee, (11-16-88)

American Skandia Life Assurance Corporation, Hartford, Connecticut, (Stock Life) moved home office to Shelton, Connecticut, (08-30-89)

Armed Forces Insurance Exchange, Topeka, Kansas, (Reciprocal) moved home office to Leavenworth, Kansas, (11-23-88)

Assured Investors Life Company, San Francisco, California, (Stock Life) moved home office to Los Angeles, California, (09-02-88)

Cimarron Life Insurance Company, Cimarron, Kansas, (Stock Life) moved home office to Prairie Village, Kansas, (10-11-88)

Colorado Bankers Life Insurance Company, Denver, Colorado, (Stock Life) moved home office to Englewood, Colorado, (09-02-88)

Consumers Life Insurance Company of North Carolina, Charlotte, North Carolina, (Stock Life) moved home office to Southern Pines, North Carolina, (09-15-88)

Continental Investors Life Insurance Company, Inc., Englewood, Colorado, (Stock Life) changed name to Citizens Insurance Company of America, (12-01-88)

Early American Life Insurance Company, St. Louis, Missouri, (Stock Life) moved home office to Eagan, Minnesota, (10-17-88)

Equicor Life Insurance Company, Los Angeles, California, (Mutual Life) changed name to First Equicor Life Insurance Company, (01-20-89)

Federated Reinsurance Corporation, New York, New York, (Stock Fire & Casualty) changed name to NEM Re-Insurance Corporation, (08-30-89)

Fidelity Mutual Life Insurance Company, The, Philadelphia, Pennsylvania, (Mutual Life) moved home office to Radnor, Pennsylvania, (11-16-88)

First Horizon Insurance Company, Minnetonka, Minnesota, (Stock Fire & Casualty) moved home office to St. Louis Park, Minnesota, (08-30-89)

First Pyramid Life Insurance Company of America, The, Little Rock, Arkansas, (Stock Life) changed name to Usable Insurance Company, (01-20-89)

Foremost Guaranty Corporation, Township of Cascade, Michigan, (Stock Casualty) changed name and moved home office to General Electric Mortgage Insurance Corporation of Michigan, Farmington Hills, Michigan, (12-07-88)

Foremost Mortgage Insurance Company, Grand Rapids, Michigan, (Stock Casualty) changed name and moved home office to General Electric Equity Insurance Corporation of Michigan, Farmington Hills, Michigan, (12-07-88)

General American Life and Annuity Company, St. Louis, Missouri, (Stock Life) changed name to Saint Louis Reinsurance Company, (02-24-89)

General Services Life Insurance Company, Washington, D. C., (Stock Life) redomesticated by way of charter amendment to Cedar Rapids, Iowa (10-11-88)

General Reassurance Corporation, Stamford, Connecticut, (Stock Life) changed name to Life Reassurance Corporation of America, (03-28-89)

GEICO General Insurance Company, Des Moines, Iowa, (Stock Fire & Casualty) redomesticated by way of charter amendment to Chevy Chase, Maryland, (08-30-89)

Great-West Life & Annuity Insurance Company, Wichita, Kansas, (Stock Life) moved home office to Lawrence, Kansas, (03-13-89)

Guarantee Insurance Company, Dover, Delaware, (Stock Fire & Casualty) moved home office to Wilmington, Delaware, (06-21-89)

Hanseco Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) changed name to John Hancock Property and Casualty Insurance Company, (05-22-89)

Hartford Variable Annuity Life Insurance Company, Hartford, Connecticut, (Stock Life) changed name to American Skandia Life Assurance Corporation, (11-23-88)

Health Insurance of Vermont, Inc., Burlington, Vermont, (Stock Life) moved home office to Colchester, Vermont, (10-11-88)

Horace Mann Insurance Company, Tampa, Florida, (Stock Fire & Casualty) redomesticated by way of charter amendment to Springfield, Illinois, (03-13-89)

Investors Life Insurance Company of America, Phoenix, Arizona, (Stock Life) changed name to Arizona Life Insurance Company, (04-18-89)

Investors Mortgage Insurance Company, Chicago, Illinois, (Stock Casualty) moved home office to Beardstown, Illinois, (03-28-89)

John Hancock Property and Casualty Insurance Company, Schaumburg, Illinois, (Stock Fire & Casualty) changed name and moved home office to Aestar Insurance Company, Chicago, Illinois, (10-11-88)

John Hancock Reinsurance Company, Wilmington, Delaware, (Stock Fire & Casualty) changed name to Reliance National Insurance Company, (08-30-89)

Legion Casualty Company, Tulsa, Oklahoma, (Stock Fire & Casualty) changed name and moved home office to Petrosurance Casualty Company, Oklahoma City, Oklahoma, (03-28-89)

Loyalty Life Insurance Company, Southfield, Michigan, (Stock Life) redomesticated by way of charter amendment to Jacksonville, Florida, (03-28-89)

Maccabees Mutual Life Insurance Company, Southfield, Michigan, (Mutual Life) changed name and converted to Maccabees Life Insurance Company, Stock Life, (01-27-89)

Metropolitan Casualty Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) moved home office to Newark, Delaware, (08-30-89)

Metropolitan General Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) moved home office to Newark, Delaware, (08-30-89)

Metropolitan Property and Liability Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) moved home office to Newark, Delaware, (08-30-89)

Mid-South Insurance Company of North America (Assumed Name of Mid-South Insurance Company), Fayetteville, North Carolina, (Stock Life) changed name to (dropped assumed name) Mid-South Insurance Company, (01-20-89)

Motor Club of America Insurance Company, Newark, New Jersey, (Stock Fire & Casualty) changed name to MCA Insurance Company, (08-30-89)

Mutual Security Life Insurance Company, Fort Wayne, Indiana, (Mutual Life) converted to Stock Life, (09-13-88)

National American Insurance Company, Lincoln, Nebraska, (Stock Fire & Casualty) moved home office to Omaha, Nebraska, (08-10-89)

National American Life Insurance Company of Pennsylvania, Allentown, Pennsylvania, (Stock Life) moved home office to Harrisburg, Pennsylvania, (11-16-88)

National Assurance Underwriters, Inc., Earth City, Missouri, (Stock Casualty) moved home office to St. Louis, Missouri, (07-13-89)

National Farmers Union Life Insurance Company, Denver, Colorado, (Stock Life) redomesticated by way of charter amendment to Jacksonville, Florida, (04-07-89)

National Reserve Life Insurance Company, Sioux Falls, South Dakota, (Stock Life) changed name to National United Life Insurance Company, (12-29-88)

New Century Life Insurance Company, La Jolla, California, (Stock Life) changed name and moved home office to Equicor Life Insurance Company, Los Angeles, California, (09-15-88)

New Jersey Life Insurance Company, Saddle Brook, New Jersey, (Stock Life) moved home office to Paramus, New Jersey, (03-03-89)

North Atlantic Casualty and Surety Insurance Company, Inc., Greenwood, Indiana, (Stock Fire & Casualty) moved home office to Indianapolis, Indiana, (11-29-88)

Northbrook National Insurance Company, Northbrook, Illinois, (Stock Fire & Casualty) moved home office to South Barrington, Illinois, (11-02-88)

Northwestern National Life Insurance Company, Minneapolis, Minnesota, (Combined Stock and Mutual Life) converted to Stock Life, (01-03-89)

Orange State Life and Health Insurance Company, Largo, Florida, (Stock Life) changed name to U. S. Guardian Health Insurance Company, (08-30-89)

Pacific Financial Life Insurance Company, Newport Beach, California, (Stock Life) changed name to PM Group Life Insurance Co., (11-02-88)

Piedmont American Life Insurance Company, Hockessin, Delaware, (Stock Life) moved home office to Wilmington, Delaware, (05-31-89)

Potomac Insurance Company of Illinois, Chicago, Illinois, (Stock Fire & Casualty) moved home office to Lisle, Illinois, (03-13-89)

Principal National Life Insurance Company, Wilmington, Delaware, (Stock Life) redomesticated by way of charter amendment to Des Moines, Iowa, (07-07-89)

Providers Fidelity Life Insurance Company, Bala Cynwyd, Pennsylvania, (Stock Life) moved home office to Blue Bell, Pennsylvania, (10-25-88)

Royal Insurance Company of America, Chicago, Illinois, (Stock Fire & Casualty) moved home office to Aurora, Illinois, (03-28-89)

Sentry Indemnity Company, Stevens Point, Wisconsin, (Stock Fire & Casualty) changed name and moved home office to Connie Lee Insurance Company, Madison, Wisconsin, (09-02-88)

St. Paul Life Insurance Company, Woodbury, Minnesota, (Stock Life) changed name and moved home office to Golden American Life Insurance Company, Minneapolis, Minnesota, (01-25-89)

State Automobile and Casualty Underwriters, Des Moines, Iowa, (Reciprocal) changed name and converted to State Automobile and Casualty Underwriters, Inc., Stock Fire & Casualty, (12-30-88)

Teachers Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) redomesticated by way of charter amendment to Springfield, Illinois, (03-13-89)

Transamerica Indemnity Company, Los Angeles, California, (Stock Fire & Casualty) moved home office to Woodland Hills, California, (01-20-89)

Transamerica Premier Insurance Company, Irvine, California, (Stock Fire & Casualty) moved home office to Orange, California, (09-23-88)

Trustmark Life Insurance Company, St. Paul, Minnesota, (Stock Life) moved home office to Edina, Minnesota, (08-10-89)

Union Benefit Life Insurance Company, Lansdowne, Pennsylvania, (Stock Life) moved home office to Concordville, Pennsylvania, (08-01-89)

Union Labor Life Insurance Company, The, Rockville, Maryland, (Stock Life) moved home office to Baltimore, Maryland, (10-03-88)

United Guaranty Residential Insurance Company of Iowa, Bettendorf, Iowa, (Stock Casualty) changed name and redomesticated by way of charter amendment to United Guaranty Residential Insurance Company, Greensboro, North Carolina, (01-27-89)

United Life and Accident Insurance Company, Concord, New Hampshire, (Stock Life) changed name to Chubb Life Insurance Company of America, (04-18-89)

United Teacher Associates Insurance Company, Peachtree, Georgia, (Stock Life) moved home office to Cumming, Georgia, (08-30-89)

Universal Security Assurance Life Insurance Company, Denver, Colorado, (Stock Life) changed name to LifeUSA Insurance Company, (01-20-89)

Warner Insurance Company, River Forest, Illinois, (Stock Fire & Casualty) moved home office to Lisle, Illinois, (10-11-88)

Warner Insurance Company, Lisle, Illinois, (Stock Fire & Casualty) moved home office to Chicago, Illinois, (03-03-89)

Western Diversified Life Insurance Company, Northbrook, Illinois, (Stock Life) moved home office to Deerfield, Illinois, (01-27-89)

Western Employers Insurance Company of America, Santa Ana, California, (Stock Fire & Casualty) moved home office to Fullerton, California, (08-10-89)

Western Fire Insurance Company, The, Fort Scott, Kansas, (Stock Fire & Casualty) changed name and moved home office to Nordia Insurance Company, Topeka, Kansas, (06-02-89)

PART III - LIQUIDATOR'S AND CONSERVATOR'S REPORT

Figure 54. Summary of Supervisions: September 1, 1988 through August 31, 1989

DOMESTIC	Existing	New	FY 1989 Year End Balances
Stock Life Insurance Companies	1	17	10
Stipulated Premium Insurance Companies	2	1	0
Surplus Lines Insurers	1	0	0
Local Mutual Aid Associations	0	2	0
Stock Fire & Casualty	0	3	0
Lloyds	0	5	1
Title Agents	0	6	0
Unauthorized Insurer	3	2	2
Managing General Agents	2	2	0
Agencies	5	2	2
Reciprocal	0	0	0
Fraternal	0	0	0
County Mutual	0	2	1
Health Maintenance Organization	0	1	0
FOREIGN	1	1	0
	15	44	16

Figure 55. Summary of Conservatorships: September 1, 1988 through August 31, 1989

DOMESTIC	Existing	New	FY 1989 Year End Balance
Stock Life	7	3	3
Reciprocal	1	0	1
Managing General Agents	0	0	2
Local Mutual Aid Associations	1	0	1
Stock Fire & Casualty	1	0	2
Lloyds	0	1	0
Title Agents	1	0	2
Unauthorized Insurers	3	0	1
Fraternal	2	1	2
Health Maintenance Organization	0	0	0
Agencies	0	0	2
FOREIGN	2	0	0
	18	5	16

Figure 56. Insurance Companies in Conservatorship or Under Supervision By Fiscal Years

Fiscal Year	No. at Beginning	No. Rec'd During Year	Reinsured & Closed	Liquidated (Dissolved)	In Receivership	Released	Other* Changes	Year End Balance
1976	17	5	4	1	5	7		
1977	5	16	0	0	5	5		
1978	10	15	0	2	2	6		
1979	12	15	0	1	3	12		
1980	8	6	0	0	1	4		
1981	9	11	0	0	1	7		
1982	11	10	0	1	3	8		
1983	7	12	0	0	7	9		
1984	3	12	0	0	3	4		
1985	5	19	0	1	5	4		
1986	12	21	0	0	5	4		
1987	14	58	0	0	14	7		
1988	42	33	1	3	19	10	9	33
1989	33	49	1	5	21	23	16	32

* FY '89: Sixteen entities moved from Supervision to Conservatorship.

Figure 57. Receiverships By Fiscal Year: New Receiverships and Receiverships Closed

Fiscal Year	Balance Receiverships Beginning	New Receiverships	Receiverships Closed
1979	50	6	4
1980	52	1	4
1981	49	8	7
1982	50	11	19
1983	42	13	0
1984	55	3	3
1985	55	20	1
1986	74	19	2
1987	91	18	1
1988	108	25	2
1989	131	40	14

As of August 31, 1989 -- 157 Active Receiverships

Figure 58. Lawsuits Pending - Liquidation Division: 1979 - 1989

Fiscal Year Ending	New Lawsuits	Closed Lawsuits	Pending Lawsuits
1979	14	143	365
1980	111	70	406
1981	8	106	308
1982	29	120	217
1983	69	17	269
1984	31	26	274
1985	150	119	305
1986	203	89	419
1987	167	148	438
1988	227	131	534
1989	296	254	576

Companies In Supervision Or Conservatorship At Beginning Of Fiscal Year 1989

Figure 59. Companies in Supervision or Conservatorship at Beginning Of Fiscal Year 1989

SUPERVISION

Commissioner's Order Number	Dated	Company Name
86-0559	6-20-86	Confidential*
86-0560	6-20-86	Confidential*
86-1024	9-29-86	Riley Insurance Agency
86-1025	9-29-86	Sheldon Insurance Agency
87-0110	2-03-87	Sayre & Toso, Inc. 189
87-0350	4-10-87	W. D. Chase & Company
87-0732	6-24-87	American Surety Company
87-0802	7-08-87	London Guaranty
88-0446	4-21-88	Southwestern Surplus
88-0590	5-23-89	Confidential*
88-1050	8-23-88	Preferred Casualty Company
88-1051	8-23-88	Geoffrey Bailey, Inc.
88-1052	8-23-88	Geoffrey Bailey
88-1053	8-23-88	Geoffrey Bailey Insurance Agency
88-1058	8-24-88	Confidential*

* *Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Figure 60. Companies in Supervision or Conservatorship at Beginning Of Fiscal Year 1989

CONSERVATORSHIP

Commissioner's Order Number	Dated	Company Name
85-2317	11-19-85	Confidential*
86-0561	6-20-86	Confidential*
86-0603	7-01-86	Confidential*
86-0900	8-26-86	Confidential*
87-0346	4-06-87	Confidential*
87-0532	5-14-87	Confidential*
87-0712	6-16-87	Confidential*
87-0803	7-08-87	South Star Management, Inc.
A87-001	9-09-87	Knickerbocker Life Ins. Co.
88-0277	3-11-88	Confidential*
88-0411	4-01-88	Confidential*
88-0431	4-11-88	Consolidated Savings Life Ins. Co.
88-0586	5-18-88	Capital Title
88-0674	6-13-88	First Service Life Ins. Co.
88-0675	6-13-88	First Service Life
88-0876	7-18-88	United Travelers
88-0925	8-03-88	Confidential*
88-1041	8-22-88	Christian Brotherhood

* *Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Figure 61. Companies Placed in Supervision Between September 1, 1988 and August 31, 1989

Commissioner's Order Number	Dated	Company Name
88-1230	10-14-88	Confidential*
88-1231	10-14-88	Confidential*
88-1232	10-14-88	Confidential*
88-1233	10-14-88	Confidential*
88-1234	10-14-88	Confidential*
88-1235	10-14-88	Confidential*
88-1265	10-24-88	Confidential*
88-1266	10-24-88	Confidential*
88-1267	10-24-88	Confidential*
88-1268	10-24-88	Confidential*
88-1269	10-24-88	Confidential*
88-1270	10-24-88	Confidential*
88-1304	11-01-88	The Master Group
88-1305	11-01-88	Texas Independent School Systems
88-1343	11-03-88	Commodore County Mutual
88-1344	11-03-88	Commodore Insurance Company
88-1345	11-03-88	Confidential*
88-1346	11-03-88	Confidential*
88-1365	11-09-88	North American Lloyds of Texas
88-1530	12-08-88	Confidential*
88-1531	12-08-88	Confidential*
88-1639	12-21-88	Confidential*
89-0013	1-10-89	Confidential*
89-0014	1-10-89	Confidential*
89-0170	2-08-89	Arrow Insurance of Texas, Inc.
89-0171	2-08-89	Commerical American Underwriters
89-0172	2-08-89	Commercial American Group
89-0266	2-24-89	Confidential*
89-0267	2-24-89	Confidential*
89-0268	2-24-89	Confidential*
89-0269	2-24-89	Confidential*
89-0270	2-24-89	Confidential*
89-0273	3-01-89	Confidential*
89-0323	3-13-89	Confidential*
89-0368	3-14-89	Texas Insurance Company
89-0546	4-14-89	Confidential*
89-0573	4-25-89	Confidential*
89-0637	5-09-89	Confidential*
89-0771	5-22-89	Ameridnt Corporation
89-0826	5-24-89	Confidential*
89-1051	7-07-89	Galaxia Life Insurance Company
89-1053	7-07-89	Confidential*
89-1136	8-01-89	Title U.S.A. Insurance Corp.
89-1157	8-02-89	Southern National Life Insurance Co.

** Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Figure 62. Companies Placed in Conservatorship Between September 1, 1988 and August 31, 1989

Commissioner's Order Number	Dated	Company Name
88-1158	10-03-88	Confidential*
88-1657	12-22-88	Commodore Insurance Company
88-1658	12-22-88	Commodore County Mutual
89-0015	1-11-89	Confidential*
89-0037	1-13-89	Confidential*
89-0135	2-06-89	American Fraternal Benefit Society
89-0192	2-13-89	Confidential*
89-0206	2-20-89	Houston United Life Insurance Co.
89-0280	3-03-89	Preferred Casualty Company
89-0305	3-06-89	Security Southwest Life Insurance Co.
89-0318	3-07-89	North American Lloyds Insurance Co.
89-0572	4-19-89	Confidential*
89-0622	5-05-89	Confidential*
89-0650	5-11-89	Confidential*
89-0651	5-11-89	Confidential*
89-0652	5-11-89	Texas Insurance Company
89-0980	6-27-89	Confidential*
89-1107	7-21-89	Arrow Insurance of Texas, Inc.
89-1108	7-21-89	Commercial American Group, Inc.
89-1109	7-21-89	Commercial American Underwriters
89-1178	8-08-89	Title U.S.A. Insurance Corp.

** Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Figure 63. Companies Released and/or Terminated From Supervision Between September 1, 1988 and August 31, 1989

Commissioner's Order Number	Dated	Company Name
88-1130	9-15-88	Confidential*
88-1464	11-29-88	Sayre & Toso, Inc.
88-1640	12-21-88	Texas Independent School Systems
88-1641	12-21-88	The Master Group
89-0001	1-03-89	Confidential*
89-0203	2-17-89	Confidential*
89-0204	2-20-89	Confidential*
89-0205	2-20-89	Confidential*
89-0597	4-28-89	Confidential*
89-0840	5-31-89	Confidential*
89-0916	6-13-89	Geoffrey Bailey
89-1045	7-07-89	Confidential*
89-1046	7-07-89	Confidential*
89-1047	7-07-89	Confidential*
89-1048	7-07-89	Confidential*
89-1049	7-07-89	Confidential*
89-1050	7-07-89	Confidential*
89-1068	7-12-89	Confidential*
89-1111	7-21-89	Southwestern Surplus
89-1137	8-01-89	W. D. Chase & Company
89-1139	8-01-89	Confidential*
89-1182	8-10-89	Amerident Corporation
89-1183	8-10-89	Geoffrey Bailey, Inc.
89-1184	8-10-89	Geoffrey Bailey Insurance Agency
89-1185	8-10-89	Confidential*
89-1234	8-16-89	Confidential*
89-1327	8-30-89	Confidential*

* *Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Figure 64. Companies Released and/or Terminated From Conservatorship Between September 1, 1988 and August 31, 1989

Commissioner's Order Number	Dated	Company Name
88-1090	9-07-88	Confidential*
88-1298	10-26-88	Confidential*
88-1299	10-26-88	Confidential*
88-1361	11-10-88	South Star Management, Inc.
88-1406	11-23-88	Confidential*
88-1520	12-07-88	Confidential*
89-0051	1-20-89	Confidential*
89-0102	1-25-89	First Service Life
89-0103	1-25-89	First Service Life Insurance Co.
89-0190	2-08-89	Confidential*
89-0320	3-07-89	Commodore County Mutual
89-0321	3-07-89	Commodore Insurance Company
89-0605	5-01-89	Confidential*
89-0772	5-22-89	Knickerbocker Life Insurance Co.
89-0875	6-02-89	Confidential*
89-0906	6-12-89	Confidential*
89-0907	6-12-89	North American Lloyds of Texas
89-0922	6-21-89	Confidential*
89-0923	6-21-89	Confidential*
89-1041	7-07-89	Christian Brotherhood
89-1052	7-07-89	Confidential*
89-1110	7-21-89	Confidential*
89-1138	8-01-89	Confidential*

** Article 21.28-A, Section 3A, Tex. Ins. Code, makes confidential all orders, records and hearings relating to the supervision or conservatorship of any insurance company, with certain exceptions. Those exceptions include: (1) insurance entities not covered by guaranty funds, (2) companies subsequently placed in receivership, and (3) cases in which the Commissioner of Insurance deems it is in the best interest of the public, the policyholders or the insurer to make public the fact that a company is in supervision or conservatorship.*

Insurance Companies And Affiliates In Receivership As Of August 31, 1989

Name of Company	District Court	Cause Number
ADCO FIRE & CASUALTY COMPANY, LTD., et al Plano, Texas	250th	344,329
GEORGE D. ALBRIGHT d/b/a JENNIE A. YOUNG INSURANCE AGENCY Cooper, Texas	261st	386,027
ALLIED FIDELITY INSURANCE COMPANY Indianapolis, Indiana	331st	402,457
AMERICA WEST HEALTH BENEFITS TRUST, et al Santa Fe Springs, California	299th	466,603
AMERICAN DRUGGISTS' INSURANCE COMPANY Blue Ash, Ohio	200th	399,372
AMERICAN FIDELITY FIRE INSURANCE COMPANY Woodbury, New York	299th	393,414
AMERICAN GUARANTY LIFE INSURANCE COMPANY Austin, Texas	53rd	281,675
AMERICAN INSURANCE GROUP, LTD., et al Houston, Texas	147th	379,156
AMERICAN MANAGERS, INC. Houston, Texas	126th	342,895
AMERICAN MUTUAL LIABILITY INSURANCE COMPANY and AMERICAN MUTUAL INSURANCE COMPANY OF BOSTON Boston, Massachusetts	250th	464,632
AMERICAN TEACHERS LIFE INSURANCE COMPANY Humble, Texas	353rd	462,445
AMERICAN UNDERWRITERS LIFE INSURANCE COMPANY Waco, Texas	353rd	465,451
AMERICAN REAL ESTATE ASSOCIATION Austin, Texas	331st	356,168
AMERICANA LIFE INSURANCE COMPANY Houston, Texas	200th	465,203
ASPEN INDEMNITY CORPORATION Englewood, Colorado	167th	369,437
JAMES D. ATKINS, et al Fort Worth, Texas	200th	434,039
BEST LLOYDS INSURANCE COMPANY and BEST MANAGEMENT, INC. Houston, Texas	299th	440,695

BLUFF FARMERS MUTUAL INSURANCE COMPANY Austin, Texas	98th	443,234
BUFFALO TITLE OF HOUSTON, INC. Houston, Texas	147th	432,886
RUTH MILLS BURFORD, OLD WORLD SOCIETY OF HEALTH AND FINANCE, et al Houston, Texas	250th	424,757
CALIFORNIA LIFE INSURANCE COMPANY Los Angeles, California	331st	401,820
CAPITAL TITLE CO., INC. Houston, Texas	98th	440,496
CARRIERS INSURANCE COMPANY Des Moines, Iowa	201st	391,364
CENTRAL TEXAS HEALTH PLAN, et al Austin, Texas	353rd	432,533
CHRISTIAN BROTHERHOOD Hurst, Texas	261st	435,239
CHRISTIAN ORGANIZATIONS MEDICAL SOCIETY, INC., et al Hurst, Texas	353rd	385,711
CITIZEN'S NATIONAL ASSURANCE COMPANY Albuquerque, New Mexico	261st	430,454
COLONIAL TITLE, INC. Houston, Texas	53rd	344,517
COLUMBUS INSURANCE COMPANY Columbus, Ohio	126th	375,271
COMMERCIAL STANDARD INSURANCE COMPANY Fort Worth, Texas	167th	373,842
COMMONWEALTH MARINE & GENERAL ASSURANCE COMPANY, LTD. Belize City, Belize (C. A.)	261st	378,040
CONFIDENCE LIFE INSURANCE COMPANY Waco, Texas	250th	464,929
CONSOLIDATED BENEFIT HEALTH INSURANCE Company Dallas, Texas	261st	468,495
CONSOLIDATED SAVINGS LIFE INSURANCE COMPANY Dallas, Texas	345th	447,455
CONTINENTAL BANKERS LIFE INSURANCE COMPANY OF THE SOUTH Jackson, Tennessee	200th	402,717

CONTINENTAL SERVICE LIFE AND HEALTH INSURANCE COMPANY Baton Rouge, Louisiana	147th	390,338
CONTRACTOR'S INSURANCE EXCHANGE OF TEXAS, et al Houston, Texas	299th	426,749
COTTON BELT INSURANCE COMPANY, INC. Memphis, Tennessee	201st	337,145
NORMAN COWART, NASSAU LIFE INSURANCE COMPANY, et al Arlington, Texas	200th	424,131
CREDIT GUARD LIFE INSURANCE COMPANY Houston, Texas	250th	454,925
EDWARD PATTERSON CUDE, et al Houston, Texas	345th	417,622
DEXTER LLOYDS INSURANCE COMPANY, et al Houston, Texas	345th	405,847
DIAMOND BENEFITS LIFE INSURANCE COMPANY, et al Phoenix, Arizona	200th	460,725
IRENE MONIQUE DIBEASE, d/b/a ACTION INSURANCE AGENCY, et al Houston, Texas	167th	350,407
EAGLE LIFE INSURANCE COMPANY San Antonio, Texas	201st	418,574
EARLY AMERICAN INSURANCE COMPANY Montgomery, Alabama	250th	374,094
EAST TEXAS HEALTH PLAN, INC. Tyler, Texas	126th	435,776
EASTERN INDEMNITY COMPANY OF MARYLAND Rockville, Maryland	299th	374,862
EMPIRE CASUALTY COMPANY Denver, Colorado	53rd	458,982
EMPIRE LIFE INSURANCE COMPANY OF AMERICA, et al, Birmingham, Alabama	53rd	198,374
ENTERPRISE INSURANCE COMPANY Los Angeles, California	299th	413,412
EQUITABLE EXCHANGE, INC., et al Houston, Texas	200th	341,697
EXCALIBUR INSURANCE COMPANY Minneapolis, Minnesota	126th	368,859

FARM & RANCH LIFE INSURANCE COMPANY, INC. Topeka, Kansas	200th	432,842
FEDERAL TITLE COMPANY Houston, Texas	200th	435,491
FINANCIAL SERVICES - HOUSTON, et al Houston, Texas	331st	470,487
FIRST AMERICAN SURETY CORPORATION Houston, Texas	53rd	287,383
FIRST COLUMBIA LIFE INSURANCE COMPANY Baton Rouge, Louisiana	331st	454,283
FIRST HOUSTON TITLE, INC., d/b/a FIRST TITLE OF HOUSTON Houston, Texas	250th	458,072
FIRST SERVICE LIFE INSURANCE COMPANY, et al El Paso, Texas	53rd	454,774
FIRST SOUTHWEST LLOYDS, and R.W. BRAYTON & CO. Austin, Texas	167th	468,283
FIRST TRANSCONTINENTAL LIFE INSURANCE CORPORATION OF WISCONSIN Madison, Wisconsin	200th	455,651
FIRST UNITED LIFE INSURANCE COMPANY OF AMERICA, Brownsville, Texas	250th	319,320
FLORIDA GENERAL LIFE INSURANCE COMPANY Coral Gables, Florida	250th	346,372
G.I.C. INSURANCE COMPANY San Antonio, Texas	53rd	464,935
GALAXIA LIFE INSURANCE COMPANY Bossier City, Louisiana	353rd	470,859
GENERAL INDEMNITY INSURANCE COMPANY Houston, Texas	345th	468,674
GENERAL PROTECTIVE LIFE INSURANCE COMPANY Bellaire, Texas	200th	276,493-B
GIBSON NATIONAL LIFE INSURANCE COMPANY Dallas, Texas	126th	450,373
FRAN T. GORDON d/b/a SOUTHWESTERN SURPLUS, et al Houston and Fort Worth, Texas	167th	443,375
GRANITE STATE INSURANCE COMPANY, et al Bedford, Texas	331st	340,634

THE GREAT GLOBAL ASSURANCE COMPANY Scottsdale, Arizona	201st	394,888
GREAT LIBERTY LIFE INSURANCE COMPANY Dallas, Texas	53rd	192,855
GROUP HEALTH OF EL PASO, INC. El Paso, Texas	98th	319,947
GULF COAST INSURANCE COMPANY, et al Orange, Texas	167th	458,682
HERMITAGE HEALTH AND LIFE INSURANCE COMPANY Franklin, Tennessee	167th	414,016
HOLLAND-AMERICA LLOYDS Irving, Texas	147th	437,572
HOMELAND INSURANCE COMPANY San Jose, California	345th	432,194
IDEAL MUTUAL INSURANCE COMPANY New York, New York	126th	373,613
INDEPENDENT BANKERS LIFE INSURANCE COMPANY, et al, Fort Worth, Texas	53rd	364,967
INDEPENDENT STANDARD INSURANCE COMPANY Dallas, Texas	260th	369,438
INTEGRITY INSURANCE COMPANY Paramus, New Jersey	53rd	423,396
INTERNATIONAL FIDELITY LIFE INSURANCE COMPANY Fort Worth, Texas	53rd	431,927
IOWA NATIONAL MUTUAL INSURANCE COMPANY Cedar Rapids, Iowa	147th	389,578
KENILWORTH INSURANCE COMPANY Chicago, Illinois	250th	333,783
KEYSTONE LIFE INSURANCE COMPANY Dallas, Texas	98th	414,622
KNICKERBOCKER LIFE INSURANCE COMPANY El Paso, Texas	200th	463,954
LIMESTONE LIFE ASSOCIATION Groesbeck, Texas	126th	351,699
LLOYDS OF AMERICA INSURANCE COMPANY Houston, Texas	299th	340,036
LLOYD'S TEXAS and LLOYD'S TEXAS UNDERWRITERS, INC. Houston, Texas	201st	443,913

LUMBERMENS LIFE INSURANCE COMPANY Indianapolis, Indiana	353rd	458,981
MAXEY INSURANCE AGENCY aka MAXEY INSURANCE, et al Fort Worth, Texas	167th	467,360
McINGVALE ASSOCIATES, GENERAL AGENCY, INC. Dallas, Texas	201st	237,784
METROCARE AND TEXAS COMPREHENSIVE HEALTH SERVICES, INC. Euless, Texas	261st	323,178
METROPOLITAN TRUST COMPANY Hurst, Texas	167th	328,912
MIDLAND INSURANCE COMPANY New York, New York	299th	398,238
MINISTERS BENEFIT TRUST, et al Hurst, Texas	200th	314,116
MISSION INSURANCE COMPANY Los Angeles, California	261st	413,411
MISSION NATIONAL INSURANCE COMPANY Los Angeles, California	250th	413,410
MOBILE COUNTY MUTUAL INSURANCE COMPANY Dallas, Texas	201st	237,783
MOBILE INSURANCE COMPANY Dallas, Texas	201st	237,782
NATIONAL ALLIED INSURANCE COMPANY OF TEXAS Houston, Texas	299th	404,100
NATIONAL BANKERS LIFE INSURANCE COMPANY Dallas, Texas	53rd	188,463
NATIONAL COUNTY MUTUAL FIRE INSURANCE COMPANY; WALKER GENERAL AGENCY, INC.; and SOUTHERN LIFE INVESTMENT COMPANY Dallas, Texas	201st	453,041
NATIONAL INVESTORS LIFE INSURANCE COMPANY Little Rock, Arkansas	126th	373,107
NORTH AMERICAN INSURANCE COMPANY, INC., JONATHAN P. SAUNDERS, et al Addison, Texas	201st	422,596
NORTH AMERICAN LLOYDS OF TEXAS Amarillo, Texas	147th	465,214
NORTH TEXAS TITLE COMPANY Terrell, Texas	147th	439,518

OKLAHOMA INSURANCE LOGISTICS COMPANY Oklahoma City, Oklahoma	200th	368,387
OLD NATIONAL INSURANCE COMPANY, AN ALABAMA CORPORATION, et al Montgomery, Alabama	53rd	179,459
OLD NATIONAL INSURANCE COMPANY Houston, Texas	167th	212,596
PACIFIC AMERICAN INSURANCE COMPANY Wilmington, Delaware	98th	368,614
PHOENIX ASSURANCE AGENCY AND PHOENIX ADJUSTMENT SERVICES Houston, Texas	200th	276,493
PHOENIX FIDELITY LIFE INSURANCE COMPANY Phoenix, Arizona	200th	276,493
PIONEER CASUALTY COMPANY San Antonio, Texas	126th	160,893
PIONEER GENERAL AGENCY, INC. San Antonio, Texas	126th	160,893
PREFERRED EMPLOYERS INSURANCE COMPANY Houston, Texas	261st	415,359
PREMIER GROUP SERVICES, INC. Dallas, Texas	167th	338,208
PREMIER NATIONAL AGENCY, INC. Dallas, Texas	147th	338,207
PREMIER NATIONAL LIFE INSURANCE COMPANY Dallas, Texas	126th	338,206
PROFESSIONAL MUTUAL INSURANCE COMPANY Kansas City, Missouri	126th	433,666
PROFESSIONAL RISK MANAGEMENT, INC. Houston, Texas	167th	426,272
PROPRIETORS' INSURANCE COMPANY Delaware, Ohio	126th	324,504
RESERVE INSURANCE COMPANY Chicago, Illinois	147th	290,961
SECURITY CASUALTY COMPANY Chicago, Illinois	98th	329,244
S & H INSURANCE COMPANY, A CALIFORNIA CORPORATION Los Angeles, California	331st	382,945
SIGNAL INSURANCE LLOYDS COMPANY Austin, Texas	98th	407,304

SOCIEDAD MUTUALISTA MEXICANA MONTE DE LAS CRUCES San Antonio, Texas	53rd	288,672
SOUTHEAST INDEMNITY COMPANY Houston, Texas	53rd	372,995
SOUTHERN GENERAL LIFE INSURANCE COMPANY OF TEXAS Irving, Texas	98th	461,908
SOUTHERN INTERNATIONAL INSURANCE COMPANY, LTD. Grand Cayman Islands, British West Indies	261st	434,716
STONE MOUNTAIN INSURANCE COMPANY Atlanta, Georgia	261st	458,717
SUMMIT TITLE COMPANY, INC. Houston, Texas	53rd	429,896
SUPERIOR LLOYDS INSURANCE COMPANY Mesquite, Texas	167th	341,838
SURETY INSURANCE COMPANY OF CALIFORNIA La Habra, California	331st	369,052
TEXAS BUSINESS AND PROFESSIONAL ASSOCIATION, INC., et al Houston, Texas	345th	455,225
TEXAS FIDELITY LIFE INSURANCE COMPANY Nocona, Texas	331st	393,480
TEXAS FIRE AND CASUALTY COMPANY Dallas, Texas	53rd	396,246
TEXAS HEALTH PLANS, INC., et al Houston, Texas	250th	312,722
TEXAS INDEPENDENT SCHOOL SYSTEMS ASSOCIATION, et al Waco, Texas	167th	453,731
TEXAS INVESTORS LIFE INSURANCE COMPANY Dallas, Texas	250th	468,806
TEXAS NATIONAL INSURANCE COMPANY Dallas, Texas	147th	456,750
TEXAS NATIONAL TITLE CO., INC. Houston, Texas	126th	467,820
TEXAS REPUBLIC TITLE COMPANY Houston, Texas	261st	386,183

TEXAS RETAILERS ASSOCIATION GROUP BENEFIT TRUST Austin, Texas	98th	414,653
TMIC INSURANCE COMPANY, INC. Los Angeles, California	250th	448,752
TRANSIT CASUALTY COMPANY Earth City, Missouri	261st	389,526
U.S. ANNUITY LIFE INSURANCE COMPANY, Houston, Texas; JOSEPH PARILLO; and U.S. ANNUITY LIFE INSURANCE COMPANY, A LIFE INSURANCE HOLDING COMPANY Baton Rouge, Louisiana	147th	454,033
UNION FIDELITY AND GUARANTY CORPORATION, LTD., et al Georgetown, Cayman Island, British West Indies	250th	317,534
UNION INDEMNITY INSURANCE COMPANY OF NEW YORK New York, New York	261st	388,995
UNITED BANKERS LIFE INSURANCE COMPANY Dallas, Texas	147th	341,129
UNITED CAPITAL LIFE INSURANCE COMPANY Houston, Texas	200th	314,515
UNITED EMPLOYERS INSURANCE COMPANY Houston, Texas	53rd	384,361
UNIVERSAL INDEMNITY COMPANY Salt Lake City, Utah	331st	457,100
UNIVERSITY LIFE INSURANCE COMPANY OF AMERICA Indianapolis, Indiana	250th	373,053
WESTERN HERITAGE LIFE INSURANCE COMPANY Madill, Oklahoma	126th	440,248
WESTERN PREFERRED CASUALTY COMPANY Englewood, Colorado	167th	399,371

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Totals	Other Lines
Balance as of September 1, 1988	$ 11,736,784.84	$ 5,645,922.41
Receipts		
Interest On Accounts	1,020,426.93	428,666.24
Transfers From:		
Administrative	301,011.18	
Auto	3,422,251.02	100,060.00
Collection	41,067,428.96	14,427,310.00
Draw	4,103,981.44	
Other Lines	14,739,003.55	
Workers Comp.	5,348,260.30	
August 1987 Assessment	6,145,132.00	
October 1988 Assessment	34,805,225.01	
Texas Commerce Bank - Draw	4,500,000.00	
Loan Repayments:		
Manufacturers and Wholesalers	235,706.99	235,706.99
First Fire and Casualty	10,373.99	
Pacific American Ins.	135,000.00	100,000.00
Southeastern Indemnity Co.	125,000.00	
Early American Ins. Co.	1,623,001.60	1,418,001.60
Eastern Indemnity of Maryland	125,000.00	125,000.00
Transit Casualty Co.	832,028.00	
Carriers Insurance Co.	200,000.00	
Great Global Assurance Co.	1,135,487.44	
Midland Insurance Co.	900,000.00	400,000.00
American Druggists Ins.	212,000.00	200,000.00
Western Preferred Casualty	100,000.00	
Allied Fidelity Ins. Co.	355,000.00	155,000.00
Mission Insurance Co.	300,000.00	
Contractors Insurance Exchange	150,000.00	
Citizens National Assurance Co.	380,000.00	80,000.00
Best Lloyds Insurance Co.	715,000.00	665,000.00
Total Receipts	122,986,318.41	18,334,744.83
Total Funds Available	134,723,103.25	23,980,667.24

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Workers Compensation	Auto	Administrative	Collection	Draw
$ 99,853.97	$ 5,612,006.73	$ 162,148.31	$ 216,853.42	$ 0.00
343,270.35	103,890.77	116,038.77	23,098.95	5,461.85
		300,000.00		1,011.18
2,700,000.00		622,191.02		
11,404,353.42	10,980,025.00	4,255,740.54		
	1,300,000.00	2,803,981.44		
2,097,682.55	10,801,717.43	1,839,603.57		
	5,000,000.00	348,260.30		
	1,885.00		6,072,412.00	70,835.00
			34,805,225.01	
				4,500,000.00
		10,373.99		
	35,000.00			
125,000.00				
	205,000.00			
767,028.00		65,000.00		
200,000.00				
1,135,487.44				
500,000.00				
	12,000.00			
	100,000.00			
100,000.00	100,000.00			
300,000.00				
150,000.00				
	300,000.00			
	50,000.00			
19,822,821.76	28,989,518.20	10,361,189.63	40,900,735.96	4,577,308.03
19,922,675.73	34,601,524.93	10,523,337.94	41,117,589.38	4,577,308.03

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Totals	Other Lines
Disbursements		
Transfers To:		
Administrative	9,978,535.48	1,785,633.13
Auto	28,081,742.43	10,801,717.43
Draw	1,011.18	
Other Lines	14,610,370.00	
Unauthorized	445.00	
Workers Comp.	16,202,035.97	2,097,682.55
Assessment Refund	90.00	
Loans To Receiverships:		
Manufacturers and Wholesalers	500.00	
Aspen Indemnity Corp.	1,000.00	
First Fire and Casualty	3,500.00	
Mobile Insurance Co.	24,000.00	
Mobile County Mutual Ins. Co.	33,000.00	
Security Casualty	5,000.00	
Cotton Belt Ins. Co.	1,500.00	
Lloyds of America Ins. Co.	40,000.00	10,000.00
Superior Lloyds Ins. Co.	16,000.00	
Oklahoma Insurance Logistics	25,000.00	
Pacific American Ins. Co.	100,000.00	100,000.00
Excalibur Insurance Co.	120,000.00	
Surety Ins. Co. of California	8,000.00	
Southeast Indemnity Co.	226,000.00	
Ideal Mutual Ins. of New York	281,000.00	1,000.00
Commercial Standard Ins. Co.	113,000.00	
Early American Ins. Co.	181,000.00	61,000.00
Eastern Indemnity of Maryland	237,000.00	75,000.00
Columbus Insurance Co.	78,000.00	
S & H Insurance Co.	3,000.00	
United Employers Ins. Co.	107,000.00	
Union Indemnity of New York	11,000.00	
Transit Casualty Co.	3,078,000.00	303,000.00
Carriers Insurance Co.	295,000.00	
Great Global Assurance Co.	220,000.00	
Texas Fire and Casualty Ins. Co.	1,636,184.48	
Midland Insurance Co.	1,493,000.00	5,000.00
American Druggists' Ins. Co.	43,000.00	37,000.00
Western Preferred Casualty Co.	120,500.00	
Subtotal	77,374,414.54	15,277,033.11

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Workers Compensation	Auto	Administrative	Collection	Draw
295,891.97	620,288.40	300,000.00	4,161,553.95	2,815,168.03
5,000,000.00			10,966,155.00	1,313,870.00
		1,011.18		
	100,060.00		14,474,215.00	36,095.00
	70.00		375.00	
	2,700,000.00		11,393,178.42	11,175.00
			90.00	
		500.00		
		1,000.00		
		3,500.00		
		24,000.00		
		33,000.00		
		5,000.00		
		1,500.00		
	30,000.00			
		16,000.00		
25,000.00				
120,000.00				
		8,000.00		
205,000.00		21,000.00		
160,000.00	25,000.00	95,000.00		
78,000.00		35,000.00		
53,000.00		67,000.00		
		162,000.00		
62,000.00		16,000.00		
		3,000.00		
90,000.00		17,000.00		
		11,000.00		
1,800,000.00	600,000.00	375,000.00		
165,000.00	105,000.00	25,000.00		
115,000.00		105,000.00		
		1,636,184.48		
1,305,000.00		183,000.00		
		6,000.00		
	100,500.00	20,000.00		
9,473,891.97	4,280,918.40	3,170,695.66	40,995,567.37	4,176,308.03

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Totals	Other Lines
Disbursements (Continued)		
Allied Fidelity Ins. Co.	440,000.00	
National Allied Ins. Co.	756,000.00	
Dexter Lloyds Ins. Co.	251,322.87	
Signal Insurance Lloyds Co.	25,000.00	
Mission Insurance Co.	612,000.00	
Mission National Ins. Co.	852,000.00	100,000.00
Enterprise Insurance Corp.	34,000.00	
Preferred Employers Ins. Co.	1,111,500.00	
Integrity Insurance Co.	537,000.00	5,000.00
Contractors Insurance Exchange	925,000.00	
Citizens National Assurance Co.	1,228,000.00	
Professional Mutual Ins. Co.	1,831,000.00	1,736,000.00
Homeland Insurance Co.	285,000.00	
Holland-America Lloyds	150,000.00	125,000.00
Best Lloyds Insurance Co.	3,914,000.00	950,000.00
Lloyds, Texas	1,042,000.00	
National County Mutual Fire Ins. Co.	12,498,392.00	300,000.00
Texas National Ins. Co.	200,000.00	125,000.00
Stone Mountain Ins. Co.	20,000.00	
Empire Casualty Co.	10,000.00	
American Mutual Liability Ins. Co.	350,000.00	100,000.00
North American Lloyds of Texas	200,000.00	100,000.00
Commodore County Mutual - In Cons.	18,200,000.00	500,000.00
Legal Expenses	268,604.75	
Audit Expenses	1,879.00	
Consulting Expenses	30,515.60	
Miscellaneous Expenses	29,369.01	
Total Disbursements	123,176,997.77	19,318,033.11
Balance as of August 31, 1989	11,546,105.48	4,662,634.13

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Workers Compensation	Auto	Administrative	Collection	Draw
210,000.00	125,000.00	105,000.00		
470,000.00	101,000.00	185,000.00		
	30,000.00	221,322.87		
		25,000.00		
325,000.00	100,000.00	187,000.00		
300,000.00	100,000.00	352,000.00		
10,000.00		24,000.00		
836,000.00		275,500.00		
120,000.00	200,000.00	212,000.00		
755,000.00		170,000.00		
432,000.00	526,000.00	270,000.00		
		95,000.00		
203,000.00		82,000.00		
		25,000.00		
	1,690,000.00	1,274,000.00		
765,000.00		277,000.00		
	9,723,392.00	2,475,000.00		
	25,000.00	50,000.00		
		20,000.00		
		10,000.00		
200,000.00		50,000.00		
	100,000.00			
	17,200,000.00	500,000.00		
		268,604.75		
		1,879.00		
		30,515.60		
		29,369.00	0.01	
14,099,891.97	34,201,310.40	10,385,886.88	40,995,567.38	4,176,308.03
5,822,783.76	400,214.53	137,451.06	122,022.00	401,000.00

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Balance Consists of:

Other Lines Account		
Cash in Banks	$	287,823.73
Money Market Fund		4,374,810.40
		4,662,634.13
Workers Comp. Account		
Cash in Banks		807,580.38
Money Market Fund		5,015,203.38
		5,822,783.76
Auto Account		
Cash in Banks		366,587.16
Money Market Fund		33,627.37
		400,214.53
Administrative Account		
Cash in Banks		127,756.06
Money Market Fund		9,695.00
		137,451.06
Collection Account		
Cash in Banks		122,022.00
		122,022.00
Draw Account		
Cash in Banks		401,000.00
		401,000.00
Total Funds August 31, 1989	$	11,546,105.48

TEXAS PROPERTY & CASUALTY INSURANCE
GUARANTY ASSOCIATION - NON-MEMBER

Statement of Cash Receipts and Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Year to Date
Balance as of September 1, 1988	$ 24,398.52
Receipts:	
Interest on Accounts	29,271.00
September 1988 Assessment	1,720.00
Texas Commerce Note Payable	1,000,000.00
Loan Repayments:	
Edward Patterson Cude	50,000.00
Southwestern Surplus	45,000.00
Total Receipts	$ 1,125,991.00
Total Funds Available	$ 1,150,389.52
Disbursements:	
Loans to Non-Member Companies:	
Pioneer Casualty Co.	3,000.00
McIngvale Assoc. Gen. Agency	1,000.00
Premier Group Services	3,000.00
Premier National Agency	6,500.00
Professional Risk Management	46,000.00
Bluff Farmers Mutual Ins. Co.	261,000.00
TMIC Insurance Co. Inc.	6,000.00
Walker General Agency	145,000.00
Universal Indemnity Co.	15,000.00
Christian Brotherhood	20,000.00
Loans to Unauthorized Companies:	
Hall Insurance Group	2,000.00
Granite State Ins. Co.	1,000.00
American Managers, Inc.	11,000.00
Action Insurance Agency	500.00
Commonwealth Marine	1,000.00
American Insurance Group	1,500.00
Geo. D. Albright dba Jeannie A. Young Ins.	5,000.00
Southern International Ins. Co.	70,000.00
Intercon Reinsurance Brokers	30,000.00
Southwestern Surplus	42,000.00
Gulf Coast Insurance	6,500.00
Maxey Insurance Agency	8,000.00
Total Disbursements	$ 685,000.00
Balance as of August 31, 1989	$ 465,389.52

TEXAS PROPERTY & CASUALTY INSURANCE
GUARANTY ASSOCIATION - NON-MEMBER (Continued)

Statement of Cash Receipts and Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Balance Consists of:

Cash in Bank:	
Texas Commerce Bank	$ 53,200.28
Fidelity Daily Investment Fund	412,189.24
Balance as of August 31, 1989	$ 465,389.52

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Total	Accident & Health	Life
Balance as of September 1, 1988	$ 146,870.37	$ 30,038.04	$ 27,299.08
Receipts			
Interest on Accounts	118,511.21	59,716.43	17,669.72
Transfers From:			
Accident & Health	2,735,660.70		
Annuity	2,009,631.72	2,000,000.00	
Annuity Collection	5,848.01		
A&H/Life Collection	5,587,672.60	5,499,178.97	75,750.00
Draw	11,964,976.73	3,000,000.00	3,442,395.00
Expense	7,536.91		6,126.36
Life	222,513.80		200,000.00
Texas Commerce Bank - Draw	11,330,000.00		
July 1989 Annuity Assessment	3,546,052.94		
August 1987 A & H Assessment	1,382,585.00	290.00	
January 1989 A & H Assessment	7,445,025.00		
Loan Repayments:			
United Capital Life Ins. Co.	5,983.05	5,983.05	
United Bankers Life Ins. Co.	43,000.00	43,000.00	
Iowa State Travelers Mutual	40,197.02	2,549.10	
Independent Bankers Life	43,707.35	43,707.35	
Independent Standard Ins. Co.	34,192.44	20,734.73	13,457.71
California Life Ins.	12,678.74	12,678.74	
Continental Bankers Life	150,000.00		150,000.00
Hermitage Health & Life Ins.	7,363.18	7,150.34	212.84
Keystone Life Ins. Co.	75,288.86	44,488.95	30,799.91
Eagle Life Ins. Co.	1,961.45		1,961.45
International Fidelity Life Ins.	587,397.13	587,397.13	
Farm & Ranch Life Ins.	21,000.00	21,000.00	
Western Heritage Life Ins.	100,000.00	100,000.00	
Loan Payable	2,100,000.00		
Total Receipts	49,578,783.84	11,447,874.79	3,938,372.99
Total Funds Available	49,725,654.21	11,477,912.83	3,965,672.07

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Annuity	Annuity Collection	Expense	A&H/Life Collection	Draw
$ 845.25	$ 250.01	$ 65,724.29	$ 22,713.70	$ 0.00
9,631.72	5,441.08	9,284.08	7,771.35	8,996.83
2,000,000.00		735,615.70	45.00	
		9,631.72		
		5,848.01		
		12,743.63		
2,300,000.00		3,222,581.73		
	406.93			1,003.62
		22,513.80		
				11,330,000.00
	3,546,032.94		20.00	
			1,382,295.00	
			7,445,025.00	
		37,647.92		
				2,100,000.00
4,309,631.72	3,551,880.95	4,055,866.59	8,835,156.35	13,440,000.45
4,310,476.97	3,552,130.96	4,121,590.88	8,857,870.05	13,440,000.45

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Total	Accident & Health	Life
Disbursements			
Transfers To:			
Accident & Health	10,499,178.97		
Annuity	4,300,000.00	2,000,000.00	
Annuity Collection	406.93		
A&H/Life Collection	45.00	45.00	
Draw	1,003.62		
Expense	3,695,338.37	741,250.75	22,500.75
Life	3,724,271.36		
Unauthorized	2,305.00		
Texas Commerce Bank - Note Payment	4,707,475.98		
Loans to Receiverships:			
General Protective Life	2,500.00		
American Guar. Life Ins.	3,500.00		
United Capitol Life Ins. Co.	49,700.00	5,700.00	
First United Life Ins. Co.	26,000.00		
United Bankers Life Ins. Co.	146,100.00	131,100.00	
Independent Bankers Life Ins Co	62,000.00	40,000.00	1,000.00
University Life Ins. Co.	1,500.00		
National Investors Life Ins. Co.	100,000.00		
Continental Service Life	15,000.00		
Texas Fidelity Life Ins. Co.	25,000.00		
Continental Bankers Life Ins. Co.	748,539.29	48,000.00	70,000.00
Hermitage Health and Life Ins. Co.	6,000.00	5,000.00	
Keystone Life Ins. Co.	1,075,710.25	295,000.00	
Eagle Life Insurance Co.	83,473.02	60,000.00	
International Fidelity Life Ins. Co.	1,938,000.00	1,695,000.00	20,000.00
Farm & Ranch Life Ins. Co.	7,000.00	5,000.00	2,000.00
Western Heritage Life Ins. Co.	1,135,000.00	1,050,000.00	10,000.00
Consolidated Savings Life	710,000.00	515,000.00	15,000.00
First Columbia Life Ins.	585,000.00	300,000.00	50,000.00
Credit Guard Life Ins. Co.	1,815,795.21		1,710,795.21
First Transcontinental Life	440,000.00	370,000.00	50,000.00
Gibson National Life Ins.	3,164,708.42	485,000.00	264,197.42
Lumbermens Life Ins. Co.	160,000.00	100,000.00	50,000.00
Diamonds Benefit Life Ins. Co.	10,000.00		
Southern General Life Ins. Co.	95,000.00	25,000.00	25,000.00
American Teachers Life	430,000.00		
Knickerbocker Life Ins. Co.	250,000.00		
U.S. Annuity Life Ins. Co.	100,000.00		
G.I.C. Insurance Co.	2,100,886.73	1,950,886.73	50,000.00
Americana Life Insurance	1,230,000.00		1,230,000.00
American Underwriters Life	85,412.68		60,412.68
Confidence Life Ins. Co.	10,000.00		
Texas Investors Life Ins. Co.	30,000.00		
	43,571,850.83	9,821,982.48	3,630,906.06

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Annuity	Annuity Collection	Expense	A&H/Life Collection	Draw
	2,000,000.00		5,499,178.97	3,000,000.00
				2,300,000.00
		406.93		
		1,003.62		
9,631.72	5,848.01		7,108.58	2,908,998.56
		6,126.36	288,145.00	3,430,000.00
			2,305.00	
1,707,475.98			3,000,000.00	
		2,500.00		
		3,500.00		
		44,000.00		
		26,000.00		
		15,000.00		
		21,000.00		
		1,500.00		
90,000.00		10,000.00		
		15,000.00		
		25,000.00		
		630,539.29		
		1,000.00		
		780,710.25		
		23,473.02		
		223,000.00		
		0.00		
		75,000.00		
		180,000.00		
100,000.00		135,000.00		
		105,000.00		
		20,000.00		
1,970,511.00		445,000.00		
		10,000.00		
		10,000.00		
		45,000.00		
		430,000.00		
		250,000.00		
		100,000.00		
		100,000.00		
		25,000.00		
		10,000.00		
		30,000.00		
3,877,618.70	2,005,848.01	3,799,759.47	8,796,737.55	11,638,998.56

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Total	Accident & Health	Life
Disbursements (continued)			
Consulting Expenses	18,202.80		
Legal Expenses	42,943.96		
Interest Expense	108,784.53		
Miscellaneous Expenses	5,785.23	1,898.34	
Total Disbursements	43,747,567.35	9,823,880.82	3,630,906.06
Balance as of August 31, 1989	5,978,086.86	1,654,032.01	334,766.01

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Annuity	Annuity Collection	Expense	A&H/Life Collection	Draw
		18,202.80		
		42,943.96		
65,222.03			43,562.50	
		3,886.89		
3,942,840.73	2,005,848.01	3,864,793.12	8,840,300.05	11,638,998.56
367,636.24	1,546,282.95	256,797.76	17,570.00	1,801,001.89

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

Balance Consists of:

Accident & Health Account	
Cash in Banks	$ 1,435,545.59
Money Market Fund	218,486.42
	1,654,032.01
Life Account	
Cash in Banks	245,325.68
Money Market Fund	89,440.33
	334,766.01
Annuity Account	
Cash in Banks	367,636.24
	367,636.24
Annuity Collection Account	
Cash in Banks	46,282.95
Money Market Fund	1,500,000.00
	1,546,282.95
Expense Account	
Cash in Banks	256,797.76
	256,797.76
A&H/Life Collection Account	
Cash in Banks	17,570.00
	17,570.00
Draw Account	
Cash in Banks	801,001.89
Money Market Fund	1,000,000.00
	1,801,001.89
Total Funds August 31, 1989	$ 5,978,086.86

Texas Life, Accident, Health & Hospital Service Insurance Guaranty Association (Non-Member)

TEXAS LIFE, ACCIDENT, HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION - NON-MEMBER
Statement of Cash Receipts and Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Year to Date
Balance as of September 1, 1988	$ 184,956.88
Receipts:	
Interest on Accounts	19,172.96
September 1988 Assessment	31,935.00
Loan Repayments:	
Cardinal Life Insurance	5,000.00
Southern Life Investment	862.70
Texas Commerce Note Payable	500,000.00
Total Receipts	$ 556,970.66
Total Funds Available	$ 741,927.54
Disbursements:	
Loans to Non-Member Companies:	
Old National of Alabama	12,000.00
National Bankers Life	3,500.00
Southern Life Investment	2,000.00
Loans to Unauthorized Companies:	
Phoenix Fidelity Life	6,000.00
Sociedad Mutualista Mexicana	20,000.00
Ministers Benefit Trust	13,000.00
American Real Estate Assoc.	58,500.00
Christian Organizations Medical Society	18,000.00
Texas Retailers Assoc.	56,000.00
Norman Cowart, et al	45,000.00
Old World Society	23,500.00
Texas Independent School System	51,000.00
First Service Life Ins. Co.	385,000.00
Texas Business & Prof. Assoc.	25,000.00
Total Disbursements	$ 718,500.00
Balance as of August 31, 1989	$ 23,427.54
Balance Consists of:	
Cash in Bank:	
Texas Commerce Bank	$ 21,861.02
Fidelity Daily Investment Fund	1,566.52
Balance as of August 31, 1989	$ 23,427.54

TEXAS TITLE INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts and Disbursements
for the Period September 1, 1988 - August 31, 1989
(UNAUDITED)

	Year to Date
Balance as of September 1, 1988	$ 447,966.28
Receipts:	
Texas Commerce Bank Draw	10,000.00
Interest on Accounts	42,921.72
Title Fees Collected	1,574,131.14
Total Receipts	$ 1,627,052.86
Total Funds Available	$ 2,075,019.14
Disbursements:	
Interest Expense	522.73
Returned Deposit	1,170.14
Audit Services	1,569.00
Legal Expense	34,076.71
State Board of Insurance Operating Expenses:	
Building Maintenance	4,117.74
Office Furniture & Equipment	29,236.17
Office Rent	12,138.23
Office Supplies	2,476.65
Professional Seminar	814.00
Salaries - Title Examination	144,224.21
Telephone	101.49
Travel	19,103.62
Loans to Receiverships:	
Buffalo Title of Houston	253,000.00
Federal Title Co.	81,000.00
First Houston Title Co.	29,500.00
North Texas Title Co.	93,000.00
Summit Title Co.	220,173.56
Texas National Title Co.	10,000.00
Texas Republic Title	5,000.00
Total Disbursements	$ 941,224.25
Balance as of August 31, 1989	$ 1,133,794.89
Balance Consists of:	
Cash in Bank:	
Texas Commerce Bank	$ 433,794.89
Certificates of Deposit	700,000.00
Balance as of August 31, 1989	$ 1,133,794.89

Liquidation Division - Assets, Liability and Excess or (Deficit) of Assets Over Liabilities

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	190 Old Natl Ins Co of Alabama	192 Pioneer Casualty Co	201 National Bkrs Life Ins Co	205 Great Liberty Life Ins Co	206 First Fire & Casualty Co	209 Empire Life Ins Co
Assets:						
Cash In Bank	72,367.59	4,615.97	2,430.14	9,421.83	4,767.21	127,104.53
Certificates of Deposit	296,889.56					
Receivables	117,860.57					
Securities						
Statutory Deposits						
Funds Held - Other	500.00					
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	487,597.72	4,615.97	2,430.14	9,421.83	4,767.21	127,104.53
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	1,434,811.00			164,809.12		215,687.71
Property & Casualty						
Loans Payable:						
Guaranty Fund	19,000.00	13,000.00	8,500.00	5,000.00		10,000.00
Liquidator Fund		16,215.60				
Abandoned Property Fund				56,000.00		
Accounts Payable			2,303,457.88	60,797.56		1,736,668.98
Notes Payable	37,100.00		2,720,826.88	126,200.00		
Total Liabilities	1,490,911.00	29,215.60	5,032,784.76	412,806.68	0.00	1,962,356.69
Equity Balance	(1,003,313.28)	(24,599.63)	(5,030,354.62)	(403,384.85)	4,767.21	(1,835,252.16)
Liabilities & Equity Balance	487,597.72	4,615.97	2,430.14	9,421.83	4,767.21	127,104.53

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	209CF Credit Factoring Inc	213 Old Natl Ins Co of Texas	227 Interstate Ins Co	230 Cardinal Life Ins Co	231 Mobile Ins Co	232 Mobile County Mutual Ins Co
Assets:						
Cash In Bank	10,540.88	61,686.60	9.95		62,081.18	58,910.27
Certificates of Deposit					3,480,910.45	2,365,988.25
Receivables		79,529.44			115,577.49	15,000.00
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						350.00
Computer Systems						
Real Estate						
Other Assets					30,745.00	
Total Assets	10,540.88	141,216.04	9.95	0.00	3,689,314.12	2,440,248.52
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		119,583.14				
Property & Casualty					3,648,814.00	283,165.50
Loans Payable:						
Guaranty Fund	5,000.00				60,500.00	133,500.00
Liquidator Fund		2,162.25				
Abandoned Property Fund						
Accounts Payable	115,798.74	229,530.13			1,125,326.17	25,948.44
Notes Payable						
Total Liabilities	120,798.74	351,275.52	0.00	0.00	4,834,640.17	442,613.94
Equity Balance	(110,257.86)	(210,059.48)	9.95	0.00	(1,145,326.05)	1,997,634.58
Liabilities & Equity Balance	10,540.88	141,216.04	9.95	0.00	3,689,314.12	2,440,248.52

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	233 Mcingvale Assoc Gen Agcy	238 Manufacturers & Wholesalers	244 Old Security Life Ins Co	244PAS Phoenix Adj Serv	247 Phoenix Fidelity Life	248 General Protect Life
Assets:						
Cash In Bank	51,926.34			25,227.14	70,190.09	44,600.94
Certificates of Deposit	285,429.42					452,837.57
Receivables						8,174.00
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	337,355.76	0.00	0.00	25,227.14	70,190.09	505,612.51
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty					1,393.69	
Loans Payable:						
Guaranty Fund	24,000.00			1,000.00	11,000.00	963,942.76
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	268,333.22			261,107.60	1,526,319.28	
Notes Payable						
Total Liabilities	296,333.22	0.00	0.00	262,107.60	1,538,712.97	963,942.76
Equity Balance	41,022.54	0.00	0.00	(236,880.46)	(1,468,522.88)	(458,330.25)
Liabilities & Equity Balance	337,355.76	0.00	0.00	25,227.14	70,190.09	505,612.51

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	249 American Guar Life Ins Co	251 First American Surety Corp	253 Sociedad Mut Mexicana	254 Reserve Ins Co	256 Texas Health Plans Inc	257 Ministers Benefit Trust
Assets:						
Cash In Bank	42,351.67	1,214.15	7,620.65	26,657.41	33,578.05	4,123.74
Certificates of Deposit					57,238.82	
Receivables						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			1,453.00			
Computer Systems						
Real Estate						
Other Assets			80.00			
Total Assets	42,351.67	1,214.15	9,153.65	26,657.41	90,816.87	4,123.74
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health					1,548,405.05	582,754.34
Property & Casualty				922.00		
Loans Payable:						
Guaranty Fund	538,500.00	1,000.00	25,000.00	431,915.54	5,000.00	18,000.00
Liquidator Fund						
Abandoned Property Fund		15.77	29,400.00			332,071.47
Accounts Payable		41,051.05	60.00	344.34	236,851.00	
Notes Payable	742,725.00	17,061.44			51,338.00	
Total Liabilities	1,281,225.00	59,128.26	54,460.00	433,181.88	1,841,594.05	932,825.81
Equity Balance	(1,238,873.33)	(57,914.11)	(45,306.35)	(406,524.47)	(1,750,777.18)	(928,702.07)
Liabilities & Equity Balance	42,351.67	1,214.15	9,153.65	26,657.41	90,816.87	4,123.74

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	258 United Capital Life Ins Co	259 Ray Medina & Union Fidelity	260 First United Life Ins Co	261 Group Health Of El Paso	262 Metrocare Inc	263 Proprietor's Ins Co
Assets:						
Cash In Bank	31,559.62	41,260.28	118,302.49	24.36	13,164.49	45,153.05
Certificates of Deposit	114,048.76					
Receivables			2,451.22			
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	145,608.38	41,260.28	120,753.71	24.36	13,164.49	45,153.05
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		1,518,986.31		308,496.55	37,153.83	
Property & Casualty						14,873,268.46
Loans Payable:						
Guaranty Fund	2,422,852.22	5,000.00	685,016.90	5,000.00	5,000.00	800,948.00
Liquidator Fund						
Abandoned Property Fund					3,600.00	
Accounts Payable			5,516.48	1,203,883.29	2,599.84	91,519.70
Notes Payable						
Total Liabilities	2,422,852.22	1,523,986.31	690,533.38	1,517,379.84	48,353.67	15,765,736.16
Equity Balance	(2,277,243.84)	(1,482,726.03)	(569,779.67)	(1,517,355.48)	(35,189.18)	(15,720,583.11)
Liabilities & Equity Balance	145,608.38	41,260.28	120,753.71	24.36	13,164.49	45,153.05

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	266 Metropolitan Trust Co	267 Security Casualty Co	269 Kenilworth Ins Co	270 Cotton Belt Ins Co	271 Mall Ins Agency	272 Premier Natl Life Ins Co
Assets:						
Cash In Bank	5,102.46	36,545.78	103,888.77	199,735.09	665.76	76,490.22
Certificates of Deposit						
Receivables		1,851.54	84,679.34			7,736.89
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			1,137.00			
Computer Systems						
Real Estate						
Other Assets						
Total Assets	5,102.46	38,397.32	189,705.11	199,735.09	665.76	84,227.11
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty		111,454.63	251,828.89	185,000.00		
Loans Payable:						
Guaranty Fund	5,000.00	8,500.00	1,503,685.14	396,278.10	6,000.00	289,787.89
Liquidator Fund						
Abandoned Property Fund	83,467.46				2,733.61	
Accounts Payable	1,594,539.16	22,487.25			16,331.80	325,586.57
Notes Payable	24,594.93					
Total Liabilities	1,707,601.55	142,441.88	1,755,514.03	581,278.10	25,065.41	615,374.46
Equity Balance	(1,702,499.09)	(104,044.56)	(1,565,808.92)	(381,543.01)	(24,399.65)	(531,147.35)
Liabilities & Equity Balance	5,102.46	38,397.32	189,705.11	199,735.09	665.76	84,227.11

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	273	274	275	276	277	278
Rec Name:	Premier Group Services Inc	Premier Natl Agency Inc	Lloyds of Amer Ins Co	Granite State Ins Co	United Bankers Life Ins Co	Equitable Exchange Inc
Assets:						
Cash In Bank	2,352.67	84.56	134,749.08	25,629.62	74,757.88	54,054.01
Certificates of Deposit			820,882.99		1,038,240.62	398,492.89
Receivables			439,665.30		376,106.17	
Securities						
Statutory Deposits					100,000.00	
Funds Held - Other						
Furniture & Equipment		170.90				
Computer Systems						
Real Estate						7,500.00
Other Assets						
Total Assets	2,352.67	255.46	1,403,297.37	25,629.62	1,589,104.67	460,046.90
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health					8,500.00	
Property & Casualty			1,137,445.52	827,602.00		170,948.47
Loans Payable:						
Guaranty Fund	4,000.00	2,500.00	988,268.00	5,000.00	9,935,976.69	705,159.50
Liquidator Fund						
Abandoned Property Fund		474.95				
Accounts Payable	1,260,057.00	147,171.52	246,221.27	5,294.07	1,961,811.08	89,396.55
Notes Payable		493,736.48				
Total Liabilities	1,264,057.00	643,882.95	2,371,934.79	837,896.07	11,886,287.77	965,504.52
Equity Balance	(1,261,704.33)	(643,627.49)	(968,637.42)	(812,266.45)	(10,297,183.10)	(505,457.62)
Liabilities & Equity Balance	2,352.67	255.46	1,403,297.37	25,629.62	1,589,104.67	460,046.90

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	279	280	281	282	283	284
Rec Name:	Superior Lloyds Ins Co	American Managers Inc	ADCO Fire & Cas Co Ltd	Colonial Title Inc	Iowa State Travelers	Florida General Life Ins Co
Assets:						
Cash In Bank	42,796.39	48,532.04	40,236.25	11,808.92		818.89
Certificates of Deposit	195,666.56	115,289.27	238,838.73			
Receivables	470,290.62	74.62	37,962.48	19,502.27		
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment		65.00				
Computer Systems						
Real Estate						
Other Assets						
Total Assets	708,753.57	163,960.93	317,037.46	31,311.19	0.00	818.89
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty	65,662.09		422,852.12			
Loans Payable:						
Guaranty Fund	664,544.23	8,000.00	50,000.00	39,500.00		
Liquidator Fund						2,223.87
Abandoned Property Fund				37,600.00		4,700.00
Accounts Payable	689,774.15	460.40	265,572.32	2,508,192.83		
Notes Payable			29,537.58			
Total Liabilities	1,419,980.47	8,460.40	767,962.02	2,585,292.83	0.00	6,923.87
Equity Balance	(711,227.10)	155,500.53	(450,924.56)	(2,553,981.64)	0.00	(6,104.98)
Liabilities & Equity Balance	708,753.57	163,960.93	317,037.46	31,311.19	0.00	818.89

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	285	286	288	289	290	291
Rec Name:	I M Dibease DBA Action Ins	Limestone Life Assoc	Steve Miles Ins Agency	Independent Bkr Life Ins Co	Oklahoma Ins Logistics Co	Pacific Amer Ins Co
Assets:						
Cash In Bank	2,967.09	295.32	567.22	1,186,012.19	230,387.70	116,563.91
Certificates of Deposit				861,927.64	753,362.28	
Receivables				25,000.00	34,424.88	
Securities				4,024.00		
Statutory Deposits						
Funds Held - Other				180,518.84		
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	2,967.09	295.32	567.22	2,257,482.67	1,018,174.86	116,563.91
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		281,746.09		3,100.00		
Property & Casualty					242,161.16	258,046.76
Loans Payable:						
Guaranty Fund	1,500.00	5,000.00	1,000.00	8,632,365.31	1,230,782.68	3,396,613.89
Liquidator Fund						
Abandoned Property Fund	23,500.00	20,200.00	5,000.00			
Accounts Payable	295.80	1,415.06	691.58	28,177.91	997,282.68	
Notes Payable						
Total Liabilities	25,295.80	308,361.15	6,691.58	8,663,643.22	2,470,226.52	3,654,660.65
Equity Balance	(22,328.71)	(308,065.83)	(6,124.36)	(6,406,160.55)	(1,452,051.66)	(3,538,096.74)
Liabilities & Equity Balance	2,967.09	295.32	567.22	2,257,482.67	1,018,174.86	116,563.91

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	292 Excalibur Ins Co	293 Surety Ins Co of Calif	294 Independent Standard Ins Co	295 Asper Indemnity Corp	296 Amer Real Estate Assoc	297 Southeast Indem Corp
Assets:						
Cash In Bank	461,654.69	384,234.91	77,966.06	578.30	1,817.60	144,713.99
Certificates of Deposit					2,109.70	551,917.39
Receivables			15,312.68		8,950.00	
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	461,654.69	384,234.91	93,278.74	578.30	12,877.30	696,631.38
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health					8,402,082.01	
Property & Casualty	272,129.70	250,000.00		48,072.01		352,595.79
Loans Payable:						
Guaranty Fund	1,719,000.00	607,000.00	706,636.90	22,427.99	63,500.00	497,000.00
Liquidator Fund						
Abandoned Property Fund				990.21	170,809.00	
Accounts Payable	36,977.11	10,434.31	129,272.67	147.86	87,358.67	26,452.05
Notes Payable						
Total Liabilities	2,028,106.81	867,434.31	835,909.57	71,638.07	8,723,749.68	876,047.84
Equity Balance	(1,566,452.12)	(483,199.40)	(742,630.83)	(71,059.77)	(8,710,872.38)	(179,416.46)
Liabilities & Equity Balance	461,654.69	384,234.91	93,278.74	578.30	12,877.30	696,631.38

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #:	298	299	300	301	302	303
Rec Name:	University Life Ins Co	Natl Investors Life Ins Co	Ideal Mutual Ins Co	Commercial Stdrd Ins Co	Early American Ins Co	Eastern Indem Co of Md
Assets:						
Cash In Bank	9,367.43	3,164.72	309,294.38	2,312,710.03	399,594.60	100,167.79
Certificates of Deposit				2,347,682.83		
Receivables			1,481.65	251,561.23	44,482.78	
Securities				1,010.00		
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	9,367.43	3,164.72	310,776.03	4,912,964.09	444,077.38	100,167.79
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		750,000.00				
Property & Casualty			4,879,159.54	2,517,737.85	578,287.26	1,507,500.00
Loans Payable:						
Guaranty Fund	21,500.00	1,589,909.71	5,199,637.59	436,000.00	2,188,952.22	1,602,568.34
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable			1,055,790.71	11,795,316.06	245,051.21	206,602.97
Notes Payable						
Total Liabilities	21,500.00	2,339,909.71	11,134,587.84	14,547,054.81	3,012,290.69	3,316,671.31
Equity Balance	(12,132.57)	(2,336,744.99)	(10,823,811.81)	(9,634,090.72)	(2,568,213.31)	(3,216,503.52)
Liabilities & Equity Balance	9,367.43	3,164.72	310,776.03	4,912,964.09	444,077.38	100,167.79

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	304 Columbus Ins Co	305 Commonwealth Marine	306 S.L. Wilkinson DBA American Ins	307 SBH Ins Co	308 United Employers Ins	309 Christian Org Med Society
Assets:						
Cash In Bank	469,562.43	976.28	2,245.81	10,224.66	269,882.40	50,703.27
Certificates of Deposit	112,553.78				169,295.38	1,812.75
Receivables	119,525.58				43,175.90	232.05
Securities						
Statutory Deposits						
Funds Held - Other			209.53			
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets			237.27			
Total Assets	701,641.79	976.28	2,692.61	10,224.66	482,353.68	52,748.07
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty	514,106.04		158,168.79	300,000.00	1,432,743.14	
Loans Payable:						
Guaranty Fund	2,369,000.00	2,000.00	2,500.00	9,500.00	1,202,000.00	22,000.00
Liquidator Fund						1,835.51
Abandoned Property Fund		11,000.00	7,200.00			249,500.00
Accounts Payable	27,014.07		169,272.80	18,591.38	23,026.52	
Notes Payable						
Total Liabilities	2,710,120.11	13,000.00	337,141.59	328,091.38	2,657,769.66	273,335.51
Equity Balance	(2,008,478.32)	(12,023.72)	(334,448.98)	(317,866.72)	(2,175,415.98)	(220,587.44)
Liabilities & Equity Balance	701,641.79	976.28	2,692.61	10,224.66	482,353.68	52,748.07

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #:	310	311	312	313	314	315
Rec Name:	O D Albright DBA J Young	Texas Republic Title Co	Union Indem Ins Co of NY	Transit Casualty Co	Iowa Natl MUTUAL Ins Co	Continental Service Life
Assets:						
Cash In Bank	398.73	16,567.59	175,143.38	1,241,775.20	63,684.13	7,906.41
Certificates of Deposit		100,000.00				
Receivables				244,856.65		
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment				2,093.85		
Computer Systems						
Real Estate						
Other Assets						
Total Assets	398.73	116,567.59	175,143.38	1,488,725.70	63,684.13	7,906.41
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						7,425.00
Property & Casualty			1,216,000.00	15,655,705.84		
Loans Payable:						
Guaranty Fund	10,000.00	15,000.00	348,000.00	14,725,472.00	33,800.98	1,508,000.00
Liquidator Fund						
Abandoned Property Fund	3,500.00	65,200.00				
Accounts Payable		429,339.31		103,881.38	838.20	
Notes Payable						
Total Liabilities	13,500.00	509,539.31	1,564,000.00	30,483,059.22	34,639.18	1,515,425.00
Equity Balance	(13,101.27)	(392,971.72)	(1,388,856.62)	(28,994,333.52)	29,044.95	(1,507,518.59)
Liabilities & Equity Balance	398.73	116,567.59	175,143.38	1,488,725.70	63,684.13	7,906.41

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	317 Carriers Ins Co	318 Amer Fidelity Fire Ins Co	319 Texas Fidelity Life Ins Co	320 Great Global Assurance Co	321 Texas Fire Ins Co	322 Midland Ins Co
Assets:						
Cash In Bank	225,250.39	18,786.89	127,009.67	289,001.85	802,863.69	517,741.15
Certificates of Deposit	511,125.00		67,095.54		6,039,426.21	148,097.00
Receivables					5,530,650.00	15,000.00
Securities						
Statutory Deposits						70,000.00
Funds Held - Other					41,489.37	
Furniture & Equipment						
Computer Systems						
Real Estate			18,047.00		309,104.00	
Other Assets			500.00			
Total Assets	736,355.39	18,786.89	212,652.21	289,001.85	12,723,533.27	750,838.15
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty	2,321,532.00	1,000.00		103,462.60	13,200,000.00	3,120,446.75
Loans Payable:						
Guaranty Fund	3,444,000.00	89,000.00	2,500,000.00	616,600.95	5,142,184.48	8,143,500.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	8,272.89	11,274.78	417,565.03	26,652.92	316,790.62	2,581.00
Notes Payable						
Total Liabilities	5,773,804.89	101,274.78	2,917,565.03	746,716.47	16,658,975.10	11,266,527.75
Equity Balance	(5,037,449.50)	(82,487.89)	(2,706,912.82)	(457,714.62)	(3,935,441.83)	(10,515,689.60)
Liabilities & Equity Balance	736,355.39	18,786.89	212,652.21	289,001.85	12,723,533.27	750,838.15

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	323 Amer Druggists Ins Co	324 Western Pref Casualty Co	325 Allied Fidelity Ins Co	326 California Life Ins Co	327 Continental Bkrs Life Ins Co	328 Natl Allied Ins Co
Assets:						
Cash In Bank	75,002.99	64,810.23	120,400.73	58,586.10	93,957.54	1,930,865.52
Certificates of Deposit					213,918.55	2,588,541.74
Receivables					422,972.90	54,466.82
Securities						
Statutory Deposits	80,000.00					200,000.00
Funds Held - Other						4,463.71
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	155,002.99	64,810.23	120,400.73	58,586.10	730,848.79	4,778,317.79
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health				3,000.00	288,616.00	
Property & Casualty	225,666.84	157,000.00	5,019,269.94			4,815,731.87
Loans Payable:						
Guaranty Fund	231,401.24	32,400.00	1,267,000.00	2,762,744.12	7,717,826.22	3,377,000.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable				72,464.03		
Notes Payable						28,798.31
Total Liabilities	457,068.08	189,400.00	6,286,269.94	2,838,208.15	8,006,442.22	8,219,530.18
Equity Balance	(302,065.09)	(124,589.77)	(6,165,869.21)	(2,779,622.05)	(7,275,593.43)	(3,441,212.39)
Liabilities & Equity Balance	155,002.99	64,810.23	120,400.73	58,586.10	730,848.79	4,778,317.79

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	329	330	331	332	333	334
Rec Name:	Dexter Lloyds Ins Co	Signal Ins Lloyds Co	Mission Ins Co	Mission Natl Ins Co	Mission Reins Corp	Enterprise Ins Co
Assets:						
Cash In Bank	388,609.18	588,913.02	878,496.02	1,037,097.23		412,630.25
Certificates of Deposit	624,319.46	101,864.34				
Receivables			92.24	1,820.00		
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets	11,998.38					
Total Assets	1,024,927.02	690,777.36	878,588.26	1,038,917.23	0.00	412,630.25
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						
Property & Casualty	1,383,500.00	592,303.00	7,907,849.84	9,775,271.41		1,308,118.11
Loans Payable:						
Guaranty Fund	2,333,322.87	654,000.00	2,278,000.00	3,745,000.00		594,000.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	20,106.55					
Notes Payable						
Total Liabilities	3,736,929.42	1,246,303.00	10,185,849.84	13,520,271.41	0.00	1,902,118.11
Equity Balance	(2,712,002.40)	(555,525.64)	(9,307,261.58)	(12,481,354.18)	0.00	(1,489,487.86)
Liabilities & Equity Balance	1,024,927.02	690,777.36	878,588.26	1,038,917.23	0.00	412,630.25

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	335	336	337	338	340	341
Rec Name:	Hermitage Health & Life	Keystone Life Ins Co	Preferred Emp Ins Co	Edward Patterson Cude, et al	Eagle Life Ins Co	Texas Retailers Association
Assets:						
Cash In Bank	417,659.06	555,557.27	600,885.72	74,815.84	109,111.39	55,716.82
Certificates of Deposit		810,505.34	335,450.92	451,454.35	448,059.31	
Receivables		1,711,609.65	1,226,616.34		7,965.14	
Securities		1,106,642.92	50,000.00		4,768.10	
Statutory Deposits						
Funds Held - Other		448,898.42				
Furniture & Equipment		56,137.38				
Computer Systems			6,546.86			
Real Estate						
Other Assets		4,948,253.91				
Total Assets	417,659.06	9,857,604.89	2,219,499.84	526,270.19	569,903.96	55,716.82
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	60,000.00	188,953.80			66,500.00	
Property & Casualty			1,596,990.57			
Loans Payable:						
Guaranty Fund	395,260.50	12,247,568.62	6,397,500.00	50,000.00	3,319,022.62	66,000.00
Liquidator Fund						
Abandoned Property Fund	-			33,500.00		500.00
Accounts Payable	1,107,992.01	22,623,863.62		1,067,016.22	160,452.65	1,633.49
Notes Payable		917.12		5,894.58		
Total Liabilities	1,563,252.51	35,061,303.16	7,992,490.57	1,156,410.80	3,545,975.27	68,133.49
Equity Balance	(1,145,593.47)	(25,203,698.27)	(5,772,990.73)	(630,140.61)	(2,976,071.33)	(12,416.67)
Liabilities & Equity Balance	417,659.06	9,857,604.89	2,219,499.84	526,270.19	569,903.96	55,716.82

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #:	342	343	344	345	347	348
Rec Name:	North American Ins Co	Integrity Ins Co	Norman Cowart et al	Ruth Mills Buford, et al	Professional Risk Management	Contractors Ins Exchange
Assets:						
Cash In Bank	166,386.27	958,050.34	307,265.74	81,624.73	23,701.58	171,964.52
Certificates of Deposit	113,182.57	113,153.72				678,988.19
Receivables			139,330.37			200,000.00
Securities						
Statutory Deposits						50,000.00
Funds Held - Other						
Furniture & Equipment						
Computer Systems	3,688.11					
Real Estate						
Other Assets			20,500.00			
Total Assets	283,256.95	1,071,204.06	467,096.11	81,624.73	23,701.58	1,100,952.71
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health			5,280,198.01	466,964.81		
Property & Casualty		8,054,500.01				107,449.67
Loans Payable:						
Guaranty Fund	115,000.00	2,066,000.00	97,000.00	63,500.00	70,000.00	2,087,000.00
Liquidator Fund					3,793.57	
Abandoned Property Fund			15,000.00			
Accounts Payable	209,689.43		46,324.00	963.29	190.62	
Notes Payable						
Total Liabilities	324,689.43	10,120,500.01	5,438,522.01	531,428.10	73,984.19	2,194,449.67
Equity Balance	(41,432.48)	(9,049,295.95)	(4,971,425.90)	(449,803.37)	(50,282.61)	(1,093,496.96)
Liabilities & Equity Balance	283,256.95	1,071,204.06	467,096.11	81,624.73	23,701.58	1,100,952.71

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #:	349	350	351	352	353	354
Rec Name:	Summit Title Co	Citizens Natl Assurance Co	International Fid Life Ins Co	Central Texas Health Plan	Farm & Ranch Life Ins Co	Buffalo Title of Houston
Assets:						
Cash In Bank	25,831.65	538,177.38	641,667.64	75,366.79	3,763.35	155,814.04
Certificates of Deposit	113,182.57		932,711.97	332,639.62		12,222.88
Receivables			101,276.16			9,013.23
Securities						
Statutory Deposits						
Funds Held - Other			720.00			
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets			114,369.71			3,700.00
Total Assets	139,014.22	538,177.38	1,790,745.48	408,006.41	3,763.35	180,750.15
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health			45,000.00	4,106,000.00	6,917.31	
Property & Casualty		3,496,541.95				
Loans Payable:						
Guaranty Fund	278,173.56	2,343,000.00	5,796,602.87		95,016.83	473,000.00
Liquidator Fund				887.66		
Abandoned Property Fund						
Accounts Payable	392,318.77		130,604.00	19,971.14		2,733,276.12
Notes Payable						
Total Liabilities	670,492.33	5,839,541.95	5,972,206.87	4,126,858.80	101,934.14	3,206,276.12
Equity Balance	(531,478.11)	(5,301,364.57)	(4,181,461.39)	(3,718,852.39)	(98,170.79)	(3,025,525.97)
Liabilities & Equity Balance	139,014.22	538,177.38	1,790,745.48	408,006.41	3,763.35	180,750.15

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	355 Professional Mutual Ins Co	356 James D Atkins, et al	357 Southern International	358 Federal Title Co	359 Homeland Ins Co	360 East Texas Health Plan
Assets:						
Cash In Bank	191,470.43	3,280.20	24,375.90	79,915.96	105,039.02	467,156.87
Certificates of Deposit			275,073.82			1,101,572.16
Receivables			6,879.80			453.23
Securities						
Statutory Deposits					100,000.00	410,216.00
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	191,470.43	3,280.20	306,329.52	79,915.96	205,039.02	1,979,398.26
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health						2,667,583.68
Property & Casualty	4,016,182.44		903,752.00		1,303,023.20	
Loans Payable:						
Guaranty Fund	2,606,000.00	65,000.00	105,000.00	126,000.00	400,500.00	
Liquidator Fund			2,219.10			20,927.62
Abandoned Property Fund						
Accounts Payable		80.23	207,869.51	79,228.13		6,218.80
Notes Payable						
Total Liabilities	6,622,182.44	65,080.23	1,218,840.61	205,228.13	1,703,523.20	2,694,730.00
Equity Balance	(6,430,712.01)	(61,800.03)	(912,511.09)	(125,312.17)	(1,498,484.18)	(715,331.74)
Liabilities & Equity Balance	191,470.43	3,280.20	306,329.52	79,915.96	205,039.02	1,979,398.26

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	361 Holland Amer Lloyds	362 Joseph Landis et al	363 North Texas Title Co	364 Wstrn Heritage Life Ins Co	365 Best Lloyds Ins Co	366 Bluff Farmers Mutual Ins Co
Assets:						
Cash In Bank	261,063.39	2,677.82	30,748.37	86,594.60	738,959.27	193,637.49
Certificates of Deposit	379,251.49				1,636,368.52	
Receivables				1,838.43	439,459.97	
Securities						
Statutory Deposits					300,000.00	
Funds Held - Other			156.52			
Furniture & Equipment						
Computer Systems					2,590.00	
Real Estate						
Other Assets						
Total Assets	640,294.88	2,677.82	30,904.89	88,433.03	3,117,377.76	193,637.49
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health				20,000.00		
Property & Casualty	1,125,400.00				15,514,830.75	16,187,500.00
Loans Payable:						
Guaranty Fund	175,000.00	80,000.00	128,000.00	1,465,000.00	4,300,000.00	303,000.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable			15,799.61			
Notes Payable						
Total Liabilities	1,300,400.00	80,000.00	143,799.61	1,485,000.00	19,814,830.75	16,490,500.00
Equity Balance	(660,105.12)	(77,322.18)	(112,894.72)	(1,396,566.97)	(16,697,452.99)	(16,296,862.51)
Liabilities & Equity Balance	640,294.88	2,677.82	30,904.89	88,433.03	3,117,377.76	193,637.49

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	367 Fran T Gordon et al	368 Lloyds Texas	369 Consol Savings Life Ins Co	370 TMIC Ins Co	371 Mtl County Mut Fire Ins Co	372 Capitol Title Co
Assets:						
Cash In Bank	5,273.25	382,789.61	232,643.10	2,728.19	1,018,107.13	14.62
Certificates of Deposit		205,883.50		78,129.56	18,007.02	
Receivables			35,000.00		66,803.19	
Securities					5,700.00	
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets					5,594.00	
Total Assets	5,273.25	588,673.11	267,643.10	80,857.75	1,114,211.34	14.62
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health			115,000.00			
Property & Casualty		1,154,543.50			50,725,294.00	
Loans Payable:			710,000.00			
Guaranty Fund	60,000.00	1,042,000.00		6,000.00	12,644,529.30	1,000.00
Liquidator Fund				87.00		
Abandoned Property Fund						
Accounts Payable		2,021.74			3,587.98	3,865.33
Notes Payable						
Total Liabilities	60,000.00	2,198,565.24	825,000.00	6,087.00	63,373,411.28	4,865.33
Equity Balance	(54,726.75)	(1,609,892.13)	(557,356.90)	74,770.75	(62,259,199.94)	(4,850.71)
Liabilities & Equity Balance	5,273.25	588,673.11	267,643.10	80,857.75	1,114,211.34	14.62

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #:	373	374	375	376	377	379
Rec Name:	Texas Indep School Systems	First Columbia Life Ins Co	First Service Life Ins Co	Credit Guard Life Ins Co	Texas Bus & Prof Assoc	First Transcon Life Ins Co
Assets:						
Cash In Bank	214,813.08	411,881.96	388,951.93	220,722.69	13,690.31	106,909.64
Certificates of Deposit						
Receivables		339,892.00		200,108.64		
Securities		636,792.00	1,770,129.00			
Statutory Deposits						
Funds Held - Other		700,000.00				
Furniture & Equipment						
Computer Systems		48,735.00	68,136.00			
Real Estate		1,525,465.00				
Other Assets			68,418.00			
Total Assets	214,813.08	3,662,765.96	2,295,634.93	420,831.33	13,690.31	106,909.64
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	152,000.00	5,587,539.78	34,520,115.00	1,815,795.21		69,951.41
Property & Casualty						
Loans Payable:						
Guaranty Fund	51,000.00	585,000.00	385,000.00		25,000.00	440,000.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	107,419.41	4,500,086.00	122.00	2,056.13		
Notes Payable		561,931.00				
Total Liabilities	310,419.41	11,234,556.78	34,905,237.00	1,817,851.34	25,000.00	509,951.41
Equity Balance	(95,606.33)	(7,571,790.82)	(32,609,602.07)	(1,397,020.01)	(11,309.69)	(403,041.77)
Liabilities & Equity Balance	214,813.08	3,662,765.96	2,295,634.93	420,831.33	13,690.31	106,909.64

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	380 Gibson Natl Life Ins Co	382 Texas National Ins Co	383 Universal Indemnity Co	384 First Houston Title Inc	385 Gulf Coast Ins Co	386 Stone Mountain Ins Co
Assets:						
Cash In Bank	1,477,208.74	317,305.07	6,889.44	71,878.34	2,182.95	2,977.61
Certificates of Deposit		102,570.55		100,000.00		
Receivables	2,381,193.13	50,709.83		27,155.23		
Securities						
Statutory Deposits	100,000.00	50,000.00				90,000.00
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate	1,305,240.00					
Other Assets						
Total Assets	5,263,641.87	520,585.45	6,889.44	199,033.57	2,182.95	92,977.61
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	6,888,982.67					
Property & Casualty		779,941.30			29,640.82	3,200,000.00
Loans Payable:						
Guaranty Fund	3,164,708.42	200,000.00	15,000.00	44,500.00	6,500.00	20,000.00
Liquidator Fund				41,400.00		
Abandoned Property Fund						
Accounts Payable				674,829.23	1,193.18	
Notes Payable	15,597.19					
Total Liabilities	8,069,288.28	979,941.30	15,000.00	760,929.23	37,334.00	3,220,000.00
Equity Balance	(2,805,646.41)	(459,355.85)	(8,110.56)	(561,895.66)	(35,151.05)	(3,127,022.39)
Liabilities & Equity Balance	5,263,641.87	520,585.45	6,889.44	199,033.57	2,182.95	92,977.61

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
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(UNAUDITED)

Rec #: / Rec Name:	387 Empire Casualty Co	388 Lumbermens Life Ins Co	389 Diamond Benefits Life	390 Southern Gen Life Ins Co	391 Amer Teachers Life Ins Co	392 Knickerbocker Life Ins Co
Assets:						
Cash In Bank	3,089.26	129,418.97	6,131.67	182,506.87	2,047,731.73	3,593,990.57
Certificates of Deposit					400,000.00	503,466.67
Receivables					1,252,257.55	8,678,521.42
Securities						7,957,810.14
Statutory Deposits					100,000.00	3,850,000.00
Funds Held - Other					4,550.00	100,000.00
Furniture & Equipment						
Computer Systems						
Real Estate					1,074,564.12	
Other Assets						1,280,581.00
Total Assets	3,089.26	129,418.97	6,131.67	182,506.87	4,879,105.10	25,964,569.80
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		450,000.00	565,000.00	600,000.00	4,795,000.00	41,327,330.00
Property & Casualty	2,000,000.00					
Loans Payable:						
Guaranty Fund	10,000.00	160,000.00	10,000.00	95,000.00	430,000.00	250,000.00
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable					65,225.83	1,656.02
Notes Payable					329,584.20	
Total Liabilities	2,010,000.00	610,000.00	575,000.00	695,000.00	5,619,810.03	41,578,986.02
Equity Balance	(2,006,910.74)	(480,581.03)	(568,868.33)	(512,493.13)	(740,704.93)	(15,614,416.22)
Liabilities & Equity Balance	3,089.26	129,418.97	6,131.67	182,506.87	4,879,105.10	25,964,569.80

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Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
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(UNAUDITED)

Rec #:	393	394	395	396	397	398
Rec Name:	U.S. Annuity Life Ins Co	Amer Mutual Liability Ins	BIC Ins Co	Americana Life Ins Co	North American Lloyds of Texas	American Underwriters
Assets:						
Cash In Bank	572,481.16	298,276.68	1,736,152.04	32,468.00	764,252.07	24,194.73
Certificates of Deposit			400,000.00		312,419.03	
Receivables					63,114.28	
Securities			30,000.00			
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			500.00		2,200.00	
Computer Systems						
Real Estate						
Other Assets						
Total Assets	572,481.16	298,276.68	2,166,652.04	32,468.00	1,141,985.38	24,194.73
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	1,618,938.00		20,177,155.26			3,500.00
Property & Casualty		11,544,611.79			10,184,550.92	
Loans Payable:						
Guaranty Fund	100,000.00	350,000.00	2,100,886.73	1,230,000.00	200,000.00	85,412.68
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable			498.56	22,039.97		
Notes Payable						
Total Liabilities	1,718,938.00	11,894,611.79	22,278,540.55	1,252,039.97	10,384,550.92	88,912.68
Equity Balance	(1,146,456.84)	(11,596,335.11)	(20,111,888.51)	(1,219,571.97)	(9,242,565.54)	(64,717.95)
Liabilities & Equity Balance	572,481.16	298,276.68	2,166,652.04	32,468.00	1,141,985.38	24,194.73

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	399	400	401	402	403	404
Rec Name:	Confidence Life Ins Co	America West Health Benefit	Christian Brotherhood	Maxey Ins Agency, et al	Texas National Title Co	First Shwst Lloyds
Assets:						
Cash In Bank	11,221.15	150,127.60	30,805.60	449.78	31,109.80	50,922.00
Certificates of Deposit					49,494.52	118,612.89
Receivables	2,693.99					
Securities						
Statutory Deposits						
Funds Held - Other					27,608.83	
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	13,915.14	150,127.60	30,805.60	449.78	108,213.15	169,534.89
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health	17,658.00	325,000.00	1,200,000.00			
Property & Casualty						1,468,252.00
Loans Payable:						
Guaranty Fund	10,000.00		15,000.00	3,000.00	10,000.00	
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	6,375.71	16,630.74	323,410.79	5,051.47	484,283.29	28,951.94
Notes Payable						
Total Liabilities	34,033.71	341,630.74	1,538,410.79	8,051.47	494,283.29	1,469,203.94
Equity Balance	(20,118.57)	(183,503.06)	(1,507,605.19)	(7,601.69)	(386,070.14)	(1,299,669.05)
Liabilities & Equity Balance	13,915.14	150,127.60	30,805.60	449.78	108,213.15	169,534.89

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:	405	406	407	408	409	410
Rec Name:	General Indemn Ins Co	Consolidated Benefit Health	Texas Investors Life Ins Co	Financial Svices-Houston	Galaxie Life Ins Co	United Trylers Ins Co
Assets:						
Cash In Bank	41,084.41	48,891.69	1,563,288.07	1,636.82		
Certificates of Deposit						
Receivables			2,499.80			
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Real Estate						
Other Assets						
Total Assets	41,084.41	48,891.69	1,565,787.87	1,636.82	0.00	0.00
Liabilities and Equity Balance:						
Claims Payable:						
Accident & Health		780,000.00	7,000,000.00		13,801,000.00	
Property & Casualty	4,250,000.00			89,990.00		
Loans Payable:						
Guaranty Fund			30,000.00			
Liquidator Fund						
Abandoned Property Fund						
Accounts Payable	574.62	7,660.60	4,621.64	10,214.71		
Notes Payable						
Total Liabilities	4,250,574.62	787,660.60	7,034,621.64	100,204.71	13,801,000.00	0.00
Equity Balance	(4,209,490.21)	(738,768.91)	(5,468,833.77)	(98,567.89)	(13,801,000.00)	
Liabilities & Equity Balance	41,084.41	48,891.69	1,565,787.87	1,636.82	0.00	0.00

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

Rec #:		C268
Rec Name:	Total Receiverships	True People of America
Assets:		
Cash In Bank	40,863,707.30	
Certificates of Deposit	35,086,404.65	
Receivables	25,534,858.27	
Securities	11,566,876.16	
Statutory Deposits	5,500,216.00	
Funds Held - Other	1,729,095.22	
Furniture & Equipment	64,107.13	
Computer Systems	129,695.97	
Real Estate	4,239,922.12	
Other Assets	6,484,977.27	
Total Assets	131,199,860.09	0.00
Liabilities and Equity Balance:		
Claims Payable:		
Accident & Health	160,393,238.99	
Property & Casualty	239,214,918.53	
Loans Payable:		
Guaranty Fund	181,397,206.59	
Liquidator Fund	91,952.18	
Abandoned Property Fund	1,155,962.47	
Accounts Payable	69,721,615.54	
Notes Payable	5,157,044.40	
Total Liabilities	665,841,936.70	0.00
Equity Balance	(534,642,076.61)	
Liabilities & Equity Balance	131,199,860.09	0.00

Liquidation Division of the State Board of Insurance

Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1989

(UNAUDITED)

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NOTES:

1. Receiverships and Conservatorships closed during the year:

   a. Receiverships #206, #227, #230, #238, #244, #271, #283, #288, #295, #333 and #362 were closed by Court Order during the year ended 8/31/89.
   b. At closing, all liabilities of a receivership are written-off and assets are distributed according to the Court Order.
   c. The positive equity balances associated with receiverships #206 and #227 represent cash held for additional closing costs.
   d. Conservatorship #C268 closed during the year ended 8/31/89.

2. Receivership #232 wrote-off approximately $4.1 million of unearned premiums in November 1982, resulting in a positive equity balance.

3. Receivership #233 was an agency that filed bankruptcy soon after receivership; the bankruptcy proceedings extinguished the receivership's liabilities leaving the assets to be distributed.

4. Receivership #280 was placed into receivership for conducting unauthorized insurance business in violation of the Texas Insurance Code.

5. Receivership #314's statutory deposit exceeded its liabilities in Texas; however, solvency problems in its domiciliary state, Iowa, forced the company into receivership.

6. The liabilities for receivership #370 were recognized by the domiciliary receiver in California; the Texas receiver kept the statutory deposit for administrative expenses and will transfer any excess funds to the domiciliary upon closing.

7. Receiverships #378 - Walker General Agency and #381 - Southern Life Investment consolidated with #371 - National County Mutual Fire Insurance Company during the year ended 8/31/89.

8. Receiverships #409 and #410 had no recorded activity as of 8/31/89.

Liquidation Division - Cash Receipts, Disbursements & Cash Balance

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	190 Old Natl Ins Co of Alabama	192 Pioneer Casualty Co	201 National Bkrs Life Ins Co	205 Great Liberty Life Ins Co	206 First Fire & Casualty Co	209 Empire Life Ins Co
Cash Available 8/31/88	329,104.43	4,592.64	2,870.60	9,984.44	6,664.06	19,752.70
Cash Receipts:						
Funds on Date of Receivership						
Receivables						
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment		62.21	1,660.97	145.15	126.40	
Computer Systems						
Other Assets						
Guaranty Fund Loans	12,000.00	3,000.00	3,500.00		3,500.00	
Other Loans					(10,575.99)	
Premium Income						
Interest	25,658.66	14,189.05	103.78	509.67	846.64	11,892.63
Miscellaneous Receipts						
Total Receipts	37,658.66	17,251.26	5,264.75	654.82	(5,900.95)	11,892.63
Total Cash Available 8/31/88 and Cash Receipts	366,763.09	21,843.90	8,135.35	10,639.28	763.11	31,645.33
Cash Disbursements:						
Salaries	2,493.30	3,154.69	4,058.17	915.87	1,256.17	4,228.42
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing						
Accounting		304.90				
Actuarial						
Consulting						
Legal	2,182.82		170.50	170.50	1,997.60	170.50
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving			19.08			14.31
Interest						
Travel						
Office & Computer Supplies						
Telephone	24.59	20.40	91.99		4.92	75.73
Postage	1.50	7.40	3.05			51.95
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	323.73	395.04	419.35	131.08	159.75	536.16
Miscellaneous Disbursements		428.45	943.07		77.46	84,228.73
Total Disbursements	5,025.94	4,310.88	5,705.21	1,217.45	3,495.90	89,305.80
Net Changes In Restrictions	7,500.00	(12,917.05)	0.00	0.00	7,500.00	184,765.00
Cash Available 8/31/89	369,237.15	4,615.97	2,430.14	9,421.83	4,767.21	127,104.53

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	209CF Credit Factoring Inc	213 Old Natl Ins Co of Texas	227 Interstate Ins Co	230 Cardinal Life Ins Co	231 Mobile Ins Co	252 Mobile County Mutual Ins Co
Cash Available 8/31/88	9,095.61	52,033.69	3,516.66	9,712.92	3,714,801.53	2,243,270.59
Cash Receipts:						
Funds on Date of Receivership						
Receivables		426.50				
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	952.93		11.10		1,229.60	
Computer Systems						
Other Assets						
Guaranty Fund Loans				(5,000.00)	24,000.00	33,000.00
Other Loans						
Premium Income		1,103.76				
Interest	8,559.35	8,306.80	149.00	414.63	380,461.08	193,842.35
Miscellaneous Receipts		86,082.94				
Total Receipts	9,512.28	95,920.00	160.10	(4,585.37)	405,690.68	226,842.35
Total Cash Available 8/31/88 and Cash Receipts	18,607.89	147,953.69	3,676.76	5,127.55	4,120,492.21	2,470,112.94
Cash Disbursements:						
Salaries			734.27	295.62	8,845.47	5,966.61
Claims:						
Accident & Health						
Property & Casualty						(692,685.89)
Reinsurance						
Professional Services:						
Auditing					930.00	1,382.50
Accounting		1,122.00			1,801.00	9,127.00
Actuarial						
Consulting						
Legal		127.50	1,985.66	1,840.25	10,522.45	31,827.17
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving					23.85	
Interest						
Travel						
Office & Computer Supplies						
Telephone					54.16	36.29
Postage					5.45	7.40
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead		-	106.90	57.36	965.68	708.81
Miscellaneous Disbursements		17.39	840.00	2,936.32	2,052.54	93.44
Total Disbursements	0.00	1,266.89	3,666.81	5,127.55	25,000.58	(643,636.67)
Net Changes in Restrictions	(8,067.01)	(85,000.00)			(552,500.00)	(688,851.09)
Cash Available 8/31/89	10,540.88	61,686.80	9.95	0.00	3,542,991.63	2,424,898.52

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	233 Mcingvale Assoc Gen Agcy	238 Manufacturers & Wholesalers	244 Old Security Life Ins Co	244PAS Phoenix Adj Serv	247 Phoenix Fidelity Life	248 General Pretect Life
Cash Available 8/31/88	321,068.00	953.68	2,439.77	16,215.24	48,243.62	454,211.10
Cash Receipts:						
Funds on Date of Receivership						
Receivables		235,706.99				
Litigation Settlement					10,750.00	
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	2,213.32			190.81	1,178.24	
Computer Systems						
Other Assets						
Guaranty Fund Loans		(235,206.99)			6,000.00	2,500.00
Other Loans						
Premium Income						
Interest	22,593.83	4.70	104.82	1,364.05	3,275.40	35,388.29
Miscellaneous Receipts						
Total Receipts	24,807.15	504.70	104.82	1,554.86	21,203.64	37,888.29
Total Cash Available 8/31/88 and Cash Receipts	345,875.15	1,458.38	2,544.59	17,770.10	69,447.26	492,099.39
Cash Disbursements:						
Salaries	2,169.81	933.71	483.70	29.99	5,122.53	1,861.01
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing						
Accounting	3,098.00					
Actuarial						
Consulting						
Legal	8,284.47	362.92	1,977.04			
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving	42.93				19.08	
Interest						
Travel						
Office & Computer Supplies						
Telephone	0.37	9.28			132.79	6.16
Postage		2.40		2.40	2.00	0.25
Reproduction						
Miscellaneous Insurance						
Federal Income Tax	522.00					
Allocated Overhead	275.50	150.07	77.32	5.57	593.66	228.46
Miscellaneous Disbursements	1,626.31		6.53	5.00	807.11	65.00
Total Disbursements	16,019.39	1,458.38	2,544.59	42.96	6,757.17	2,160.88
Net Changes In Restrictions	7,500.00			7,500.00	7,500.00	7,500.00
Cash Available 8/31/89	337,355.76	(0.00)	0.00	25,227.14	70,190.09	497,438.51

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name	249 American Guar Life Ins Co	251 First American Surety Corp	253 Sociedad Mut Mexicana	254 Reserve Ins Co	256 Texas Health Plans Inc	257 Ministers Benefit Trust
Cash Available B/31/88	32,720.36	1,182.63	5,422.49	20,956.88	81,898.59	3,388.41
Cash Receipts:						
Funds on Date of Receivership						
Receivables						
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment		24.40		1.95	569.70	1.65
Computer Systems						
Other Assets						
Guaranty Fund Loans	5,500.00		20,000.00			15,000.00
Other Loans						
Premium Income						
Interest	2,253.17	56.97	524.75	1,540.60	6,297.52	114.08
Miscellaneous Receipts						
Total Receipts	7,753.17	81.37	20,524.75	1,542.55	6,867.22	15,115.73
Total Cash Available B/31/88 and Cash Receipts	40,473.53	1,264.00	25,947.24	22,499.44	88,765.81	18,504.14
Cash Disbursements:						
Salaries	3,054.40		823.20	2,151.75	2,998.80	3,509.30
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing			611.00			
Accounting			5,710.00		1,787.00	
Actuarial						
Consulting						
Legal	174.00			893.53	172.86	8,257.56
Judgments						
Foreign Receiver Expense						
Building Maintenance			1,800.00			
Equipment Rental						
Moving						
Interest						
Travel						
Office & Computer Supplies			19.31		24.59	15.45
Telephone	14.48	0.65	72.06	11.00		44.59
Postage						
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	361.03		119.14	285.77	373.50	555.70
Miscellaneous Disbursements	11.95		11,143.87		95.39	
Total Disbursements	3,621.86	0.65	18,324.57	3,342.03	5,448.94	12,382.40
Net Changes in Restrictions	7,500.00	0.00	0.00	7,500.00	7,500.00	0.00
Cash Available B/31/89	42,351.67	1,716.15	7,622.65	26,657.41	90,816.87	6,123.74

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	258 United Capital Life Ins Co	259 Ray Medina & Union Fidelity	260 First United Life Ins Co	261 Group Health Of El Paso	262 Metrocare Inc	263 Proprietor's Ins Co
Cash Available 8/31/88	120,524.12	32,025.66	104,296.44	7,018.41	16,834.38	39,570.17
Cash Receipts:						
Funds on Date of Receivership						
Receivables						
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	84.30		802.65	1,489.90		3.90
Computer Systems						
Other Assets						
Guaranty Fund Loans	43,716.95		26,000.00			
Other Loans						
Premium Income						
Interest	11,663.09	2,185.82	6,480.94	757.53	1,233.00	2,548.50
Miscellaneous Receipts	119.50					
Total Receipts	55,583.84	2,185.82	33,283.59	2,247.43	1,233.00	2,552.40
Total Cash Available 8/31/88 and Cash Receipts	184,107.96	34,211.48	137,580.03	9,265.84	18,067.38	42,122.57
Cash Disbursements:						
Salaries	4,656.58	388.40	7,346.57	2,031.77	1,262.98	2,434.01
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial	3,163.81			11,762.51	3,403.00	
Consulting						
Legal	37,214.65		17,492.13			1,421.02
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving						
Interest	1.10		19.08	9.54		
Travel	156.53					
Office & Computer Supplies						
Telephone	15.36		12.81	8.06		17.56
Postage	8.25	0.65	1.50	19.20		46.40
Reproduction			9.45			
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	524.23	62.15	997.51	265.10	236.91	339.03
Miscellaneous Disbursements			898.49	576.47		11.50
Total Disbursements	45,740.51	451.20	26,777.54	14,672.65	4,902.89	4,469.52
Net Changes In Restrictions	7,240.93	7,500.00	7,500.00	5,431.17		7,500.00
Cash Available 8/31/89	145,608.38	41,260.28	118,302.49	24.36	13,164.49	45,153.05

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	266 Metropolitan Trust Co	267 Security Casualty Co	269 Kenilworth Ins Co	270 Cotton Belt Ins Co	271 Hall Ins Agency	272 Premier Natl Life Ins Co
Cash Available 8/31/88	5,143.43	27,429.86	96,498.70	187,999.40	4,743.21	71,570.34
Cash Receipts:						
Funds on Date of Receivership						
Receivables		7,320.65				172.85
Litigation Settlement						3,333.36
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	326.35	149.75			343.52	828.67
Computer Systems						
Other Assets						
Guaranty Fund Loans		5,000.00		1,500.00	1,000.00	
Other Loans						
Premium Income						
Interest	255.18	1,454.43	6,124.36	26,089.75	185.76	4,256.47
Miscellaneous Receipts					59.91	
Total Receipts	581.53	13,924.83	6,124.36	27,589.75	1,589.19	8,591.35
Total Cash Available 8/31/88 and Cash Receipts	5,724.96	41,354.69	102,623.06	215,589.15	6,332.40	80,161.69
Cash Disbursements:						
Salaries	479.33	3,360.73	4,844.80	6,209.51	1,018.20	5,395.59
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing					611.00	
Accounting					3,574.00	4,972.00
Actuarial						
Consulting						
Legal			423.44	199.75		
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving						
Interest						
Travel				63.14		
Office & Computer Supplies						
Telephone		18.87	17.12	82.40	3.83	14.75
Postage		2.75	0.75	6.35		
Reproduction						6.64
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	65.71	445.11	753.99	917.62	160.34	644.08
Miscellaneous Disbursements	77.46	23.45	8.00	263.98	299.27	138.41
Total Disbursements	622.50	3,850.91	6,048.10	7,742.75	5,666.64	11,171.47
Net Changes In Restrictions		(950.00)	7,313.81	(8,111.31)		7,500.00
Cash Available 8/31/89	5,102.46	36,545.78	103,888.77	199,735.09	665.76	76,490.22

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name	273 Premier Group Services Inc	274 Premier Natl Agency Inc	275 Lloyds of Amer Ins Co	276 Granite State Ins Co	277 United Bankers Life Ins Co	278 Equitable Exchange Inc
Cash Available 8/31/88	1,712.57	1,112.24	929,145.51	18,664.75	1,046,848.27	37,988.88
Cash Receipts:						
Funds on Date of Receivership						
Receivables					540.00	529.00
Litigation Settlement			35.00			
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	569.70		287.05	17.40	4,346.85	716.65
Computer Systems						
Other Assets						
Guaranty Fund Loans	3,000.00	1,500.00	40,000.00		101,100.00	
Other Loans						
Premium Income						
Interest	67.23	32.55	71,628.88	1,439.66	83,049.92	37,277.79
Miscellaneous Receipts				560.00		5,936.54
Total Receipts	3,636.93	1,532.55	111,950.93	2,017.06	191,036.77	44,459.98
Total Cash Available 8/31/88 and Cash Receipts	5,349.50	2,644.79	1,041,096.44	20,681.81	1,237,885.04	82,448.86
Cash Disbursements:						
Salaries	1,264.88	819.61	8,621.92	2,202.53	10,267.00	7,820.17
Claims:						
Accident & Health					103,218.16	
Property & Casualty			24,096.00			
Reinsurance						
Professional Services:						
Auditing						
Accounting	1,544.00	1,620.00				
Actuarial						
Consulting						
Legal			47,158.11		16,380.39	707.24
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving					24.31	16.31
Interest						
Travel			81.54			
Office & Computer Supplies						
Telephone	9.86	0.41	88.43		109.11	102.59
Postage			208.29	4.65	42.45	16.25
Reproduction					203.02	
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	163.51	105.61	1,393.21	293.26	1,203.98	1,078.56
Miscellaneous Disbursements	14.60	14.60	3,316.87	51.75	936.12	705.79
Total Disbursements	2,996.83	2,560.23	84,964.37	2,552.19	132,386.54	10,444.91
Net Changes In Restrictions			7,500.00	7,500.00	7,500.00	380,542.95
Cash Available 8/31/89	2,352.67	84.56	963,632.07	25,629.62	1,112,998.50	452,546.90

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	279 Superior Lloyds Ins Co	280 American Managers Inc	281 ADCO Fire & Cas Co Ltd	282 Colonial Title Inc	283 Iowa State Travelers	284 Florida General Life Ins Co
Cash Available 8/31/88	213,362.76	141,810.09	257,498.22	10,176.75	53,217.36	283.88
Cash Receipts:						
Funds on Date of Receivership						
Receivables						
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment		863.11	455.30	271.80		
Computer Systems						
Other Assets						
Guaranty Fund Loans	16,000.00	4,000.00			(37,539.81)	1,500.00
Other Loans						
Premium Income					4.85	
Interest	16,081.14	12,542.03	18,530.41	767.83	1,776.91	25.35
Miscellaneous Receipts			0.80			
Total Receipts	32,081.14	19,405.14	19,186.51	1,039.63	(35,758.05)	1,525.35
Total Cash Available 8/31/88 and Cash Receipts	245,443.90	161,215.23	276,684.73	19,216.36	(2,540.69)	1,809.21
Cash Disbursements:						
Salaries	3,771.57	2,581.87	3,603.09	3,619.09	2,796.99	560.27
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing	1,172.50					
Accounting		2,004.00				
Actuarial						
Consulting						
Legal	9,003.26			3,239.72	1,430.56	
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving			14.51		294.23	
Interest						
Travel	11.75		1.47	1.53		
Office & Computer Supplies						
Telephone	38.15	44.26	31.38	31.12	12.36	9.83
Postage	5.70		3.35		11.00	11.00
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	430.12	574.27	469.12	504.03	396.77	259.52
Miscellaneous Disbursements	47.90	89.52	987.03	11.95	2,676.65	149.70
Total Disbursements	14,480.95	4,893.92	5,109.75	7,407.44	7,616.52	990.32
Net Changes In Restrictions	7,500.00	7,500.00	7,500.00		10,157.21	
Cash Available 8/31/89	238,462.95	163,821.31	279,074.98	11,808.92	0.00	818.89

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	285	286	288	289	290	291
Rec Name:	1 M Disease DBA Action Ins	Limestone Life Assoc	Steve Miles Ins Agency	Independent Bkr Life Ins Co	Oklahoma Ins Logistics Co	Pacific Amer Ins Co
Cash Available 8/31/88	3,225.48	4,195.17	1,260.27	2,144,006.66	785,160.53	224,341.08
Cash Receipts:						
Funds on Date of Receivership					107,656.96	
Receivables						13,923.00
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	164.50		21.90	1,320.75		
Computer Systems						
Other Assets						
Guaranty Fund Loans	500.00			18,292.65	25,000.00	(35,000.00)
Other Loans						
Premium Income						
Interest	157.82	153.42	45.82	116,552.78	64,516.72	10,931.67
Miscellaneous Receipts						
Total Receipts	824.32	153.42	67.72	136,166.18	197,173.68	(10,145.33)
Total Cash Available 8/31/88 and Cash Receipts	4,049.80	4,328.59	1,327.99	2,280,172.82	982,334.21	214,195.75
Cash Disbursements:						
Salaries	895.21	2,935.46	686.84	9,320.20	5,032.84	24,281.15
Claims:						
Accident & Health				27,457.63		
Property & Casualty						53,491.44
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial						
Consulting						
Legal		723.00		5,184.39		13,951.85
Judgments				6,000.00		
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental				10.04		
Moving						17.75
Interest						3.76
Travel						
Office & Computer Supplies				92.75	45.34	107.03
Telephone	3.20	9.50		77.44	42.76	621.70
Postage						9.01
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	144.10	365.31	44.63	1,244.86	771.90	3,798.14
Miscellaneous Disbursements	38.20		7.30	101,118.20	171.40	1,354.03
Total Disbursements	1,082.71	4,033.27	760.77	230,525.59	6,064.23	97,631.84
Net Changes in Restrictions				(1,707.40)	7,500.00	
Cash Available 8/31/89	2,967.09	295.32	567.22	2,047,939.83	983,769.98	116,563.91

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	292 Excalibur Ins Co	293 Surety Ins Co of Calif	294 Independent Standard Ins Co	295 Aspen Indemnity Corp	296 Amer Real Estate Assoc	297 Southeast Indem Corp
Cash Available 8/31/88	331,589.80	375,541.56	94,420.90	14,274.98	1,013.29	731,544.34
Cash Receipts:						
Funds on Date of Receivership						
Receivables	21,750.71				600.00	
Litigation Settlement						68.92
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			505.80		164.25	285.90
Computer Systems						
Other Assets						
Guaranty Fund Loans	120,000.00	8,000.00	(34,192.46)	1,000.00	58,500.00	101,000.00
Other Loans						
Premium Income						
Interest	23,900.42	20,124.35	15,896.97	963.66	6,894.77	53,106.95
Miscellaneous Receipts						
Total Receipts	165,651.13	28,124.35	(17,789.67)	1,963.66	66,159.02	154,461.77
Total Cash Available 8/31/88 and Cash Receipts	497,240.93	403,665.91	76,631.23	16,238.64	67,172.31	886,008.11
Cash Disbursements:						
Salaries	9,100.15	7,967.01	5,096.47	1,169.53	48,706.46	22,599.65
Claims:						
Accident & Health			(4,492.76)			
Property & Casualty	28,692.56					162,724.18
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial						
Consulting						
Legal	3,867.23	9,340.23	136.50	48.03		5,344.68
Judgements						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving						4.77
Interest						
Travel		19.33				
Office & Computer Supplies						
Telephone	62.72	94.10	113.12	9.33	26.13	104.78
Postage	71.15	36.40				80.50
Reproduction	4.99	15.37	12.41			21.88
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	1,242.46	1,137.54	729.21	196.50	8,219.71	2,679.50
Miscellaneous Disbursements	45.00	823.02	77.46		1,781.40	3,316.79
Total Disbursements	43,086.24	19,431.00	1,672.41	1,423.39	58,733.70	196,876.73
Net Changes In Restrictions	7,500.00		3,007.24	(14,216.95)	(4,511.31)	7,500.00
Cash Available 8/31/89	461,654.69	384,234.91	77,966.06	578.30	3,927.30	696,631.38

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	298 University Life Ins Co	299 Natl Investors Life Ins Co	300 Ideal Mutual Ins Co	301 Commercial Stdrd Ins Co	302 Early American Ins Co	305 Eastern Indem Co of Md
Cash Available 8/31/88	4,918.91	2,139.17	479,987.70	3,084,941.86	474,793.56	138,148.88
Cash Receipts:						
Funds on Date of Receivership						
Receivables				1,052,327.73	1,425,361.83	
Litigation Settlement			31,102.66	264,027.79		
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment				3,285.88		2,148.15
Computer Systems						
Other Assets						
Guaranty Fund Loans	1,500.00	10,000.00	264,000.00	113,000.00	(1,237,001.60)	112,000.00
Other Loans						
Premium Income						
Interest	596.10	280.74	40,358.25	368,839.61	25,598.64	41,085.36
Miscellaneous Receipts				78.00		
Total Receipts	2,096.10	10,280.74	352,460.91	1,801,558.73	211,958.87	155,233.51
Total Cash Available 8/31/88 and Cash Receipts	7,015.01	12,419.91	832,448.61	4,886,500.59	686,752.43	293,382.39
Cash Disbursements:						
Salaries	4,508.10	7,365.20	56,346.65	33,575.76	16,336.20	53,204.64
Claims:						
Accident & Health						
Property & Casualty			389,227.15	63,668.88	221,576.76	4,802.00
Reinsurance				1,130.66		
Professional Services:						
Auditing						
Accounting				69.95		
Actuarial						
Consulting						
Legal			42,176.80	51,965.20	53,812.08	98,545.52
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving				115.27	57.27	14.31
Interest						
Travel		15.12	18.35	1.89	4.76	
Office & Computer Supplies						
Telephone	12.36	92.59	567.09	379.31	255.03	709.89
Postage		657.00	233.61	153.61	163.77	574.55
Reproduction			64.86	10.63	3.83	45.63
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	627.12	1,056.28	7,344.88	4,825.02	2,241.08	6,952.65
Miscellaneous Disbursements		69.00	10,286.33	16,958.94	207.05	3,684.66
Total Disbursements	5,147.58	9,255.19	506,265.72	172,854.92	294,657.83	168,535.85
Net Changes In Restrictions	7,500.00		(16,888.51)	(53,252.81)	7,500.00	(24,678.75)
Cash Available 8/31/89	9,367.43	3,164.72	309,294.38	4,660,392.86	399,594.60	100,167.79

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	304 Columbus Ins Co	305 Commonwealth Marine	306 S.L. Wilkinson DBA American Ins	307 S&H Ins Co	308 United Employers Ins	309 Christian Org Med Society
Cash Available 8/31/88	544,760.61	1,139.98	2,161.65	67,277.10	337,059.99	79,069.98
Cash Receipts:						
Funds on Date of Receivership						
Receivables						
Litigation Settlement					4,250.00	15,000.00
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			153.72		8.40	8.40
Computer Systems						
Other Assets						
Guaranty Fund Loans	78,000.00	1,000.00	1,500.00	5,000.00	107,000.00	17,000.00
Other Loans						
Premium Income						
Interest	35,342.74	34.47	114.55	11,105.22	25,249.70	11,530.87
Miscellaneous Receipts						
Total Receipts	113,342.74	1,034.47	1,768.27	16,105.22	136,508.10	43,539.27
Total Cash Available 8/31/88 and Cash Receipts	658,103.35	2,174.45	3,929.92	81,382.32	473,568.09	122,609.25
Cash Disbursements:						
Salaries	14,879.70	1,022.12	1,147.59	3,571.12	13,288.29	13,482.65
Claims:						
Accident & Health						
Property & Casualty	58,687.55				20,007.79	
Reinsurance						
Professional Services:						
Auditing						
Accounting					3,475.00	
Actuarial						
Consulting						
Legal	7,271.53			452.75	317.55	8,605.79
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving						
Interest						
Travel					180.15	19.22
Office & Computer Supplies						
Telephone	274.94	9.84	8.53	22.39	277.72	54.37
Postage	111.73	28.25			48.32	109.35
Reproduction						397.80
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	1,939.56	123.36	142.56	431.44	1,840.86	1,857.00
Miscellaneous Disbursements	322.13	14.60	385.43	66,432.26	2,454.65	58.40
Total Disbursements	83,487.14	1,198.17	1,684.11	70,909.96	41,890.31	24,584.58
Net Changes In Restrictions	7,500.00			(247.70)	7,500.00	(45,508.65)
Cash Available 8/31/89	582,116.21	976.28	2,245.81	10,224.66	439,177.78	52,516.02

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	310 G D Albright DBA J Young	311 Texas Republic Title Co	312 Union Indem Ins Co of NY	313 Transit Casualty Co	314 Iowa Natl Mutual Ins Co	315 Continental Service Life
Cash Available 8/31/88	748.19	112,919.56	167,668.91	827,859.16	57,727.31	1,595.24
Cash Receipts:						
Funds on Date of Receivership						
Receivables		84.81		68,065.33		
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Other Assets						
Guaranty Fund Loans	5,000.00	5,000.00	1,300.00	2,245,972.00		15,000.00
Other Loans						
Premium Income						
Interest	56.11	7,619.80	9,045.46	88,630.64	3,484.74	437.78
Miscellaneous Receipts				3,337.55		
Total Receipts	5,056.11	12,704.61	20,045.46	2,406,005.52	3,484.74	15,437.78
Total Cash Available 8/31/88 and Cash Receipts	5,804.30	125,624.17	187,714.37	3,233,864.68	61,212.05	17,033.02
Cash Disbursements:						
Salaries	2,242.55	4,512.77	6,971.05	170,790.40	4,394.00	3,551.90
Claims:						
Accident & Health						
Property & Casualty				1,632,575.15		
Reinsurance						2,054.00
Professional Services:						
Auditing						
Accounting						
Actuarial						1,345.08
Consulting						
Legal	2,796.37	755.70	4,431.85	156,770.16		1,664.40
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving				350.02		
Interest						
Travel				1,267.30		
Office & Computer Supplies						
Telephone	25.69	54.84	56.16	2,541.92	113.63	16.07
Postage			35.15	1,795.42		
Reproduction				2,307.44		
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	321.91	653.32	1,013.10	22,451.52	520.29	477.23
Miscellaneous Disbursements	19.05	3,099.95	63.68	8,740.15		17.93
Total Disbursements	5,405.57	9,056.58	12,570.99	1,999,589.48	5,027.92	9,126.61
Net Changes In Restrictions				7,500.00	7,500.00	
Cash Available 8/31/89	398.73	116,567.59	175,143.38	1,241,775.20	63,684.13	7,906.41

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: Rec Name:	317 Carriers Ins Co	318 Amer Fidelity Fire Ins Co	319 Texas Fidelity Life Ins Co	320 Great Global Assurance Co	321 Texas Fire Ins Co	322 Midland Ins Co
Cash Available 8/31/88	446,190.46	14,922.23	244,882.33	207,546.25	7,250,199.78	1,282,073.14
Cash Receipts:						
Funds on Date of Receivership						
Receivables	520,477.48		18,015.63	1,102,198.76	467.85	
Litigation Settlement					71,121.00	115,000.00
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment		577.90	5,231.90		2,111.05	
Computer Systems						
Other Assets						
Guaranty Fund Loans	95,000.00		25,000.00	(915,487.44)	1,636,184.48	593,000.00
Other Loans						
Premium Income						
Interest	37,252.09	1,195.47	11,769.34	13,808.56	589,032.99	64,492.52
Miscellaneous Receipts			9.03			
Total Receipts	652,729.57	1,773.37	58,025.90	200,519.88	2,298,917.37	772,492.52
Total Cash Available 8/31/88 and Cash Receipts	1,098,920.03	16,695.60	302,908.23	408,066.13	9,549,117.15	2,054,565.66
Cash Disbursements:						
Salaries	30,996.69	3,572.06	12,205.89	37,451.33	103,323.95	44,238.74
Claims:						
Accident & Health			6,131.78			
Property & Casualty	284,886.25	901.00		64,123.84		1,196,205.56
Reinsurance						
Professional Services:						
Auditing						
Accounting			3,375.00			
Actuarial					90,079.00	
Consulting						
Legal	42,751.60		98,778.52	102,530.30	1,261,626.42	111,856.69
Judgments						
Foreign Receiver Expense					7,494.48	
Building Maintenance						
Equipment Rental						
Moving			14.31		189.31	
Interest			20.97			
Travel				1,033.31	8,273.56	1,202.88
Office & Computer Supplies				6.06		
Telephone	373.01	29.56	107.55	409.89	1,511.68	987.63
Postage	264.75	80.10	196.90	679.99	886.75	517.28
Reproduction			5.94		1,234.60	
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	4,322.23	445.71	1,441.72	4,700.03	13,698.89	5,793.10
Miscellaneous Disbursements	6,470.11	380.28	1,595.46	956.33	115,011.37	27,925.63
Total Disbursements	370,064.64	5,408.71	121,874.04	211,891.08	1,603,330.01	1,388,727.51
Net Changes In Restrictions	7,500.00	7,500.00	13,071.02	92,826.80	(1,103,497.24)	
Cash Available 8/31/89	736,355.39	18,786.89	194,105.21	289,001.85	6,842,289.90	665,838.15

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	323 Amer Druggists Ins Co	324 Western Pref Casualty Co	325 Allied Fidelity Ins Co	326 California Life Ins Co	327 Continental Bkrs Life Ins Co	328 Natl Allied Ins Co
Cash Available 8/31/88	457,683.63	50,932.54	546,476.74	66,627.14	340,248.47	3,977,823.59
Cash Receipts:						
Funds on Date of Receivership						
Receivables						65,010.76
Litigation Settlement						213,941.05
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment					1.65	985.05
Computer Systems						
Other Assets						
Guaranty Fund Loans	(366,000.00)	20,500.00	105,000.00	(12,678.76)	598,539.29	756,000.00
Other Loans						
Premium Income						
Interest	17,816.17	4,788.50	22,505.81	3,502.45	27,424.29	312,205.83
Miscellaneous Receipts						
Total Receipts	(348,183.83)	25,288.50	127,505.81	(9,176.29)	625,965.23	1,348,142.67
Total Cash Available 8/31/89 and Cash Receipts	109,499.80	76,221.04	673,982.55	57,450.85	966,213.70	5,325,966.26
Cash Disbursements:						
Salaries	8,078.32	4,865.54	57,210.63	5,498.22	63,474.81	108,442.27
Claims:						
Accident & Health				(176.87)	70,297.28	
Property & Casualty	25,333.16	48.32	440,646.63			498,637.50
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial					6,318.00	
Consulting						
Legal	(110.00)	12,560.64	36,498.05		510,459.34	64,114.10
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving					110.50	387.31
Interest						
Travel		648.62			240.60	
Office & Computer Supplies						
Telephone	96.82	58.34	829.46	85.19	334.38	1,206.06
Postage	29.78	11.00	668.31	76.75	1,312.05	802.01
Reproduction			9.06	7.08	582.38	9.35
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	927.01	642.70	8,668.60	772.36	9,173.26	14,253.81
Miscellaneous Disbursements	141.52	75.65	9,051.08	102.02	1,357.98	30,031.69
Total Disbursements	34,496.61	18,910.81	553,581.82	6,364.75	663,660.58	717,864.10
Net Changes In Restrictions		7,500.00		7,500.00	5,322.77	(88,694.90)
Cash Available 8/31/89	75,002.99	64,810.23	120,400.73	58,586.10	307,875.89	4,519,407.26

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	329	330	331	332	333	334
Rec Name:	Dexter Lloyds Ins Co	Signal Ins Lloyds Co	Mission Ins Co	Mission Natl Ins Co	Mission Reins Corp	Enterprise Ins Co
Cash Available 8/31/88	1,223,642.29	744,682.83	951,581.22	1,019,133.50	1,365.16	406,802.96
Cash Receipts:						
Funds on Date of Receivership						
Receivables			788.67	113,996.71		10,556.04
Litigation Settlement	45.88	346.30	48,229.09			
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	705.13					
Computer Systems						
Other Assets						
Guaranty Fund Loans	251,322.87	25,000.00	312,000.00	852,000.00		34,000.00
Other Loans						
Premium Income						
Interest	95,436.05	40,118.42	73,822.35	72,428.23	32.06	34,106.74
Miscellaneous Receipts	6,706.10		4,551.35	1.00		
Total Receipts	354,216.03	65,464.72	439,391.46	1,038,425.94	32.06	78,662.78
Total Cash Available 8/31/88 and Cash Receipts	1,577,858.32	810,147.55	1,390,972.68	2,057,559.44	1,397.22	485,465.74
Cash Disbursements:						
Salaries	48,773.86	10,518.75	78,751.88	119,050.38	849.54	6,725.94
Claims:						
Accident & Health						
Property & Casualty	212,815.15	109,713.10	263,506.92	712,770.98		42,680.79
Reinsurance						
Professional Services:						
Auditing		500.00				
Accounting	2,62[illegible]0	675.00				
Actuarial						
Consulting						
Legal	246,327.16	3,616.35	39,250.18	168,761.16	404.50	9,423.36
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving	115.27	44.20	66.30	44.20		
Interest						
Travel			743.06	5.23		
Office & Computer Supplies						
Telephone	929.24	187.32	1,275.02	1,828.65	7.02	112.59
Postage	807.95	52.25	577.23	1,236.23		28.90
Reproduction			330.08			
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	6,845.23	1,333.62	10,015.87	14,953.88	101.71	869.73
Miscellaneous Disbursements	13,447.78	229.60	27,296.91	30,229.38	34.45	1,326.32
Total Disbursements	532,896.64	126,870.19	401,813.37	1,048,880.09	1,397.22	61,166.63
Net Changes In Restrictions	(32,063.04)	7,500.00	(10,663.29)	28,417.88		(11,669.86)
Cash Available 8/31/89	1,012,928.64	690,777.36	878,496.02	1,037,097.23	0.00	412,630.25

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	335 Hermitage Health & Life	336 Keystone Life Ins Co	337 Preferred Emp Ins Co	338 Edward Patterson Cude, et al	340 Eagle Life Ins Co	341 Texas Retailers Association
Cash Available 8/31/88	415,903.78	1,361,816.68	1,093,695.05	543,552.77	538,078.15	11,306.04
Cash Receipts:						
Funds on Date of Receivership		645.34			2,914.53	
Receivables		5,103.10	13,927.00	14,090.54	2,893.85	
Litigation Settlement			27,234.28		36,000.00	555,000.00
Securities						
Statutory Deposits						
Funds Held - Other		25,000.00				
Furniture & Equipment			381.30	434.25	48.90	1.95
Computer Systems						
Other Assets						
Guaranty Fund Loans	(1,363.18)	1,044,910.34	1,111,500.00	(50,000.00)	37,022.62	56,000.00
Other Loans						
Premium Income		685.50	27,118.00			
Interest	22,314.85	100,393.24	71,682.56	39,248.41	65,199.91	6,403.87
Miscellaneous Receipts	425.00	4,774.40	5,132.15	481.00	52,962.46	
Total Receipts	21,376.67	1,181,511.92	1,256,975.37	4,254.20	195,022.27	617,405.82
Total Cash Available 8/31/88 and Cash Receipts	437,280.45	2,543,328.60	2,350,670.42	547,806.97	733,100.42	628,711.86
Cash Disbursements:						
Salaries	12,132.96	149,469.63	130,869.21	9,726.66	55,079.70	41,288.39
Claims:						
Accident & Health		259,671.74			82,167.74	527,435.02
Property & Casualty	6,671.77		1,105,212.99			
Reinsurance						
Professional Services:						
Auditing			436.40			
Accounting		869.95		425.00		3,206.15
Actuarial		54,098.00				
Consulting						
Legal	6,136.84	530,036.72	55,718.53	2,717.70	28,560.12	
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental						
Moving		735.50			495.00	
Interest						
Travel		653.93	5.10		51.97	
Office & Computer Supplies						
Telephone	163.77	3,972.58	1,036.58	193.89	579.75	333.60
Postage	105.48	11,760.56	1,101.85	46.50	185.88	1,178.77
Reproduction		11,494.46	7.49	46.05	195.12	16.79
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	1,697.41	21,321.64	18,444.56	1,092.66	7,562.31	6,530.46
Miscellaneous Disbursements	213.20	140,681.28	100,614.16	2,016.10	3,753.69	505.86
Total Disbursements	27,121.41	1,184,765.99	1,413,446.87	16,264.56	178,631.28	580,495.04
Net Changes In Restrictions	7,500.00	7,500.00	(886.91)	(5,272.24)	2,701.56	7,500.00
Cash Available 8/31/89	417,659.04	1,366,062.61	936,336.64	526,270.19	557,170.70	55,716.82

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	342 North American Ins Co	343 Integrity Ins Co	344 Norman Cowart et al	345 Ruth Mills Buford, et al	347 Professional Risk Management	348 Contractors Ins Exchange
Cash Available 8/31/88	235,035.82	885,765.59	91,867.75	61,836.48	10,041.55	955,949.68
Cash Receipts:						
Funds on Date of Receivership			138,974.68	10,587.21		
Receivables					9.00	
Litigation Settlement	52,472.35	85,000.00				6,666.00
Securities			72,426.20			
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	10,666.50				4,919.23	
Computer Systems						
Other Assets						
Guaranty Fund Loans		537,000.00	45,000.00	25,500.00	45,000.00	775,000.00
Other Loans	(50.00)					
Premium Income						
Interest	17,070.44	51,581.04	23,239.80	4,266.27	1,286.51	67,716.38
Miscellaneous Receipts			77.95		112.68	4.25
Total Receipts	80,159.29	673,581.04	279,718.63	38,353.50	51,327.42	849,386.63
Total Cash Available 8/31/88 and Cash Receipts	315,195.11	1,559,346.63	371,586.38	100,189.98	61,368.97	1,805,336.31
Cash Disbursements:						
Salaries	9,648.06	72,500.35	19,920.82	13,230.11	13,887.40	61,802.51
Claims:						
Accident & Health						
Property & Casualty		216,893.28				791,080.95
Reinsurance						
Professional Services:						
Auditing					5,031.80	6,244.81
Accounting	425.00		425.00	425.00	14,829.03	16,621.01
Actuarial						
Consulting						
Legal	10,876.49	103,439.45	23,761.30	9,687.30		30,128.11
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental			100.00			
Moving	1,482.40	31.15			4,780.88	
Interest						
Travel	268.73	174.85	577.97		673.16	12.19
Office & Computer Supplies						
Telephone	170.82	1,196.94	609.03	72.92	80.82	506.35
Postage	332.95	462.42	1,704.21	446.95	24.17	609.24
Reproduction	18.93	99.25			130.78	24.61
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	1,522.02	9,426.64	3,220.15	1,675.22	1,895.20	8,628.31
Miscellaneous Disbursements	48,229.14	5,240.52	5,634.20	527.67	3,834.95	46,245.51
Total Disbursements	72,974.54	409,454.85	55,952.68	26,065.17	45,167.39	961,903.60
Net Changes In Restrictions	37,348.27	(78,685.72)	(8,367.96)	7,500.00	7,500.00	7,500.00
Cash Available 8/31/89	279,568.84	1,071,204.06	307,265.74	81,624.73	23,701.58	850,952.71

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	349 Summit Title Co	350 Citizens Natl Assurance Co	351 International Fid Life Ins Co	352 Central Texas Health Plan	353 Farm & Ranch Life Ins Co	354 Buffalo Title of Houston
Cash Available 8/31/88	414,159.41	722,872.48	2,037,479.38	349,838.14	65,489.52	78,600.84
Cash Receipts:						
Funds on Date of Receivership						
Receivables			35,927.02		13,583.17	
Litigation Settlement		11,900.00		37,226.14		
Securities						46,789.84
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	11,644.19		15,437.10			670.92
Computer Systems						
Other Assets						
Guaranty Fund Loans	220,173.56	840,000.00	1,350,602.87		(27,583.17)	253,000.00
Other Loans						
Premium Income						
Interest	13,200.14	32,176.10	87,744.66	35,261.54	1,747.48	7,150.70
Miscellaneous Receipts		71.10	8,917.88	392.15	432.25	28,737.82
Total Receipts	245,017.89	892,147.20	1,498,629.53	72,879.83	(11,820.27)	336,349.28
Total Cash Available 8/31/88 and Cash Receipts	659,177.30	1,615,019.76	3,536,108.91	422,717.97	53,669.25	414,950.12
Cash Disbursements:						
Salaries	35,303.44	97,571.77	188,946.52	14,056.32	1?,796.67	60,056.79
Claims:						
Accident & Health			1,704,191.40		26,360.22	
Property & Casualty		863,740.96				
Reinsurance						
Professional Services:						
Auditing	107,578.80					89,976.50
Accounting	1,967.03		12,194.17			15,477.12
Actuarial			1,966.29			
Consulting						
Legal	11,318.17	70,421.88	1,770.56	1,050.75		37,360.22
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental	288.92		6,790.26			288.92
Moving	2,509.50		33.39	110.50		
Interest						
Travel	171.88	588.02	730.53			(35.17)
Office & Computer Supplies	7.95					
Telephone	1,038.61	1,332.15	3,752.76	619.59	184.06	1,766.94
Postage	411.53	1,132.02	4,322.21	486.80	312.40	478.07
Reproduction	309.42	(9.17)	49.80	56.18		154.07
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	4,276.05	13,075.08	22,610.58	2,826.44	3,117.53	8,146.30
Miscellaneous Disbursements	362,477.78	28,989.67	27,383.23	3,004.98	135.02	40,745.44
Total Disbursements	527,663.08	1,076,842.38	1,974,741.70	22,211.56	49,905.90	254,413.20
Net Changes In Restrictions	7,500.00		13,012.40	7,500.00		7,500.00
Cash Available 8/31/89	139,014.22	538,177.38	1,574,379.61	408,006.41	3,763.35	168,036.92

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	355 Professional Mutual Ins Co	356 James D Atkins, et al	357 Southern International	358 Federal Title Co	359 Homeland Ins Co	360 East Texas Health Plan
Cash Available 8/31/88	439.037.98	28.875.39	245.210.61	66.576.33	102.680.55	1.023.957.69
Cash Receipts:						
Funds on Date of Receivership						441.253.78
Receivables						
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			591.00	129.72		19.613.88
Computer Systems						
Other Assets						
Guaranty Fund Loans	1.831.000.00		70.000.00	81.000.00	285.000.00	
Other Loans						
Premium Income						158.06
Interest	25.473.39	684.32	42.730.22	4.261.90	5.722.15	118.547.29
Miscellaneous Receipts			1.389.48	1.031.71	262.65	17.752.04
Total Receipts	1.856.473.39	684.32	114.710.70	86.423.33	290.484.80	597.124.97
Total Cash Available 8/31/88 and Cash Receipts	2.295.511.37	29.559.71	359.921.31	152.997.66	393.165.35	1.621.082.66
Cash Disbursements:						
Salaries	70.803.45	14.039.33	15.800.99	56.994.64	66.309.40	41.005.08
Claims:						
Accident & Health						
Property & Casualty	1.984.585.23				206.976.80	
Reinsurance						
Professional Services:						
Auditing			4.300.82			
Accounting			5.860.95	10.520.73		
Actuarial						
Consulting						
Legal	36.590.77	793.68	34.191.77	2.780.47	1.046.45	5.846.12
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental				288.92		
Moving	64.60		4.77	4.872.87		484.93
Interest						
Travel	133.41		132.64	27.56	2.542.01	
Office & Computer Supplies						
Telephone	1.330.99	245.24	402.93	602.97	581.20	388.06
Postage	798.78	180.25	1.724.55	242.23	499.90	211.25
Reproduction		497.00	71.33	20.65	125.07	230.06
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	9.372.21	2.634.63	2.849.75	6.431.13	8.732.25	6.179.58
Miscellaneous Disbursements	361.50	2.889.38	4.983.38	19.799.71	1.313.25	5.508.55
Total Disbursements	2.104.040.96	26.279.51	70.123.88	80.581.70	288.126.33	59.853.63
Net Changes In Restrictions			(10.347.71)	7.500.00		7.500.00
Cash Available 8/31/89	191.470.43	3.280.20	299.449.72	79.915.96	105.039.02	1.568.729.03

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	361 Holland Amer Lloyds	362 Joseph Landis et al	363 North Texas Title Co	364 Watrn Heritage Life Ins Co	365 Best Lloyds Ins Co	366 Bluff Farmers Mutual Ins Co
Cash Available 8/31/88	467,425.50	3,596.52	4,072.61	301,616.08	2,541,571.72	95,270.14
Cash Receipts:						
Funds on Date of Receivership				383.02		57,413.84
Receivables					108,174.59	29,576.31
Litigation Settlement					2,171.13	
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment			6,322.45		1,117.50	7.50
Computer Systems						
Other Assets						
Guaranty Fund Loans	150,000.00	30,000.00	93,000.00	1,035,000.00	2,999,000.00	278,000.00
Other Loans					(1,000.00)	
Premium Income				1,715.64		
Interest	39,515.06	286.31	771.30	8,639.64	172,550.78	9,333.48
Miscellaneous Receipts	332.31		3,752.63	4,556.56	14,126.86	2,600.65
Total Receipts	189,847.35	30,286.31	103,846.38	1,050,294.86	3,296,140.86	376,931.78
Total Cash Available 8/31/88 and Cash Receipts	657,272.85	33,882.83	107,918.99	1,351,910.94	5,837,712.58	472,201.92
Cash Disbursements:						
Salaries	11,404.02	1,793.70	34,989.96	38,944.49	712,698.06	140,124.23
Claims:						
Accident & Health				1,212,147.93		
Property & Casualty					2,205,709.20	
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial						
Consulting						
Legal	10,896.50	28,839.96	11,802.10	1,457.66	265,146.51	51,163.87
Judgments						
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental					631.57	340.08
Moving	100.93		4.77		4,952.74	1,806.23
Interest						
Travel	7.08	236.00	332.23	344.58	1,693.54	223.70
Office & Computer Supplies			1.39		161.46	86.94
Telephone	117.36	41.18	904.67	838.22	13,460.50	1,480.58
Postage	67.75	6.70	315.19	1,115.40	16,202.77	36,136.18
Reproduction		8.25	208.18	171.80	1,314.93	1,649.60
Miscellaneous Insurance						467.00
Federal Income Tax						
Allocated Overhead	1,492.94	238.23	5,330.23	6,960.35	93,567.33	20,768.28
Miscellaneous Disbursements	391.39	40.99	23,281.92	3,335.91	166,846.18	24,517.74
Total Disbursements	24,477.97	31,205.01	77,170.62	1,265,316.34	3,462,384.79	278,564.43
Net Changes In Restrictions	7,500.00					
Cash Available 8/31/89	640,294.88	2,677.82	30,748.37	86,594.60	2,375,327.79	193,637.49

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	367	368	369	370	371	372
Rec Name:	Fran T Gordon et al	Lloyds Texas	Consol Savings Life Ins Co	TMIC Ins Co	Mtl County Mut Fire Ins Co	Capital Title Co
Cash Available 8/31/88	51,158.08	88,567.39	87,029.61			
Cash Receipts:						
Funds on Date of Receivership		205,726.44	4,419.37		395,193.26	
Receivables		8.05	21,075.00		676,642.23	
Litigation Settlement					160,865.24	
Securities			63,281.48	74,577.23		
Statutory Deposits					18,007.02	
Funds Held - Other						
Furniture & Equipment			1,721.87		5.70	
Computer Systems						
Other Assets						
Guaranty Fund Loans	(20,000.00)	1,042,000.00	710,000.00	6,000.00	12,644,529.38	1,000.00
Other Loans						
Premium Income			43,973.45		391,237.27	
Interest	713.90	27,137.00	16,908.78	6,286.76	31,009.16	15.30
Miscellaneous Receipts		5,689.60	1,314.77		28,096.95	
Total Receipts	(19,286.10)	1,280,561.11	862,694.72	86,863.99	14,345,586.13	1,015.30
Total Cash Available 8/31/88 and Cash Receipts	31,871.98	1,369,128.50	949,724.33	86,863.99	14,345,586.13	1,015.30
Cash Disbursements:						
Salaries	10,157.55	119,108.19	120,415.68	4,988.14	626,407.01	272.77
Claims:						
Accident & Health			492,974.88			
Property & Casualty		474,879.03			2,794,229.57	
Reinsurance					6,953,392.00	
Professional Services:						
Auditing					91,937.00	
Accounting					154,124.07	
Actuarial						
Consulting		30,000.00			6,851.74	
Legal	13,306.64	37,858.86	1,625.80		442,683.04	
Judgments						
Foreign Receiver Expense						
Building Maintenance		171.10	96.95		2,204.93	
Equipment Rental			798.74		31,297.37	
Moving		174.50	1,642.90		19,687.40	
Interest					24,864.58	
Travel	556.91	6,902.20	3,962.23		211,009.83	
Office & Computer Supplies			283.55		47,930.03	
Telephone	818.81	1,336.53	2,241.58	94.29	65,737.43	89.02
Postage	60.35	2,615.65	5,500.35	71.00	106,545.31	36.00
Reproduction	31.10	13.36	287.04		32,456.42	
Miscellaneous Insurance					9,027.21	
Federal Income Tax						
Allocated Overhead	1,644.20	17,388.96	16,878.13	702.45	87,076.09	326.49
Miscellaneous Disbursements	23.17	17,527.33	23,147.50	150.36	1,605,873.14	276.40
Total Disbursements	26,598.73	708,055.69	669,855.33	6,006.24	13,309,334.17	1,000.68
Net Changes In Restrictions		(72,399.70)	(47,225.90)		(137.81)	
Cash Available 8/31/89	5,273.25	588,673.11	232,643.10	80,857.75	1,036,114.15	14.62

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	373 Texas Indep School Systems	376 First Columbia Life Ins Co	375 First Service Life Ins Co	376 Credit Guard Life Ins Co	377 Texas Bus & Prof Assoc	379 First Transcont Life Ins Co
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership	250,247.29	64,032.50	103,188.64	101,435.28	3,623.06	
Receivables	1,455.52		269,685.28	79,642.80		
Litigation Settlement						
Securities			27,422.57			
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment	8,568.90			4,244.00-	108.30	
Computer Systems						
Other Assets			201,153.00			
Guaranty Fund Loans	51,000.00	585,000.00	385,000.00	1,815,795.21	25,000.00	440,000.00
Other Loans						
Premium Income	3,805.01			8,385.31	487.43	
Interest	7,184.84	5,997.84	141,446.38	5,396.68	368.89	2,617.00
Miscellaneous Receipts	2.14	1,946.96	82,809.11	12,636.09	172.72	1,521.72
Total Receipts	322,263.70	656,977.30	1,210,704.98	2,032,535.37	29,760.40	444,138.72
Total Cash Available 8/31/88 and Cash Receipts	322,263.70	656,977.30	1,210,704.98	2,032,535.37	29,760.40	444,138.72
Cash Disbursements:						
Salaries	29,946.81	93,264.85	45,829.92	54,734.71	12,021.39	15,842.11
Claims:						
Accident & Health		122,960.22				319,048.59
Property & Casualty						
Reinsurance				1,710,795.21		
Professional Services:						
Auditing						
Accounting			23,690.53			
Actuarial						
Consulting			7,500.00			
Legal			248,296.10	2,689.16		
Judgments						
Foreign Receiver Expense						
Building Maintenance	39.00		688.96	509.07	120.00	
Equipment Rental			410.00			
Moving	1,633.12		150.08			
Interest						
Travel	110.08	6,241.32	17,620.59	14,617.88	727.31	
Office & Computer Supplies		200.00	587.70	1,376.22		
Telephone	903.86	1,322.11	3,417.43	3,567.62	431.60	291.74
Postage	555.44	4,376.27	767.13	399.72	427.00	410.55
Reproduction	7.78	11.74	2,380.32	8.47		
Miscellaneous Insurance				402.78		
Federal Income Tax						
Allocated Overhead	5,613.42	12,070.51	5,119.25	5,701.13	1,263.75	1,636.09
Miscellaneous Disbursements	67,185.59	4,648.32	29,192.04	16,930.71	1,079.06	
Total Disbursements	105,995.10	245,095.34	385,630.05	1,811,812.68	16,070.09	337,229.08
Net Changes In Restrictions	(1,455.52)		(436,123.00)			
Cash Available 8/31/89	214,813.08	411,881.96	388,951.93	220,722.69	13,690.31	106,909.64

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	380	382	383	384	385	386
Rec Name:	Gibson Natl Life Ins Co	Texas National Ins Co	Universal Indemnity Co	First Houston Title Inc	Gulf Coast Ins Co	Stone Mountain Ins Co
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership	229,895.02	201,251.10	5,919.56	282,256.16		
Receivables	26,449.92	15,638.99				
Litigation Settlement	90,000.00					
Securities						
Statutory Deposits	101,287.18					
Funds Held - Other		100,000.00				
Furniture & Equipment	20,000.20					
Computer Systems						
Other Assets						
Guaranty Fund Loans	3,164,708.42	200,000.00	15,000.00	5,000.00	6,500.00	20,000.00
Other Loans						
Premium Income	666,367.55	195.00				
Interest	31,220.53	9,468.64	198.94	10,630.12	27.49	114.49
Miscellaneous Receipts	12,957.15		230.95	27.15		
Total Receipts	4,342,901.97	526,553.73	21,349.45	297,913.43	6,527.49	20,114.49
Total Cash Available 8/31/88 and Cash Receipts	4,342,901.97	526,553.73	21,349.45	297,913.43	6,527.49	20,114.49
Cash Disbursements:						
Salaries	194,352.51	27,662.47	11,159.73	2,964.87	2,433.27	11,238.26
Claims:						
Accident & Health	388,497.33					
Property & Casualty		57,906.70				
Reinsurance	2,037,339.49					
Professional Services:						
Auditing						
Accounting	17,490.00	4,535.00				
Actuarial						
Consulting						
Legal	33,742.99	2,194.21		250.67		4,259.29
Judgments						
Foreign Receiver Expense						
Building Maintenance	2,633.35					
Equipment Rental	13,469.89					
Moving	822.00					
Interest	9,079.51					
Travel	20,317.01	4,468.12	813.82		623.39	
Office & Computer Supplies	2,203.72	77.50				
Telephone	6,496.35	436.54	267.96	43.59	84.00	413.80
Postage	15,893.03	1,406.45	156.96	44.55	86.65	45.25
Reproduction	4,130.59					10.00
Miscellaneous Insurance	4,228.66					
Federal Income Tax						
Allocated Overhead	19,335.95	2,903.30	1,097.79	279.41	232.24	1,098.58
Miscellaneous Disbursements	95,660.87	1,339.83	963.75	650.78	884.99	71.70
Total Disbursements	2,865,693.23	102,930.12	14,460.01	4,233.87	4,344.54	17,136.88
Net Changes In Restrictions		(3,747.99)		(121,801.22)		
Cash Available 8/31/89	1,477,208.74	419,875.62	6,889.44	171,878.34	2,182.95	2,977.61

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	387	388	389	390	391	392
Rec Name:	Empire Casualty Co	Lumbermens Life Ins Co	Diamond Benefits Life	Southern Gen Life Ins Co	Amer Teachers Life Ins Co	Knickerbocker Life Ins Co
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership						
Receivables				164,461.15	2,352,396.47	666,613.24
Litigation Settlement						421,386.27
Securities						
Statutory Deposits						2,762,013.12
Funds Held - Other						
Furniture & Equipment						
Computer Systems				7,562.50		
Other Assets						
Guaranty Fund Loans						
Other Loans	10,000.00	160,000.00	10,000.00	95,000.00	430,000.00	250,000.00
Premium Income						
Interest				53,872.06		208,794.48
Miscellaneous Receipts	85.67	80.95	38.41	2,871.38	10,180.60	57,220.26
				2,534.86	2,344.88	35,408.53
Total Receipts	10,085.67	160,080.95	10,038.41	326,301.95	2,794,921.95	4,401,435.90
Total Cash Available 8/31/88 and Cash Receipts	10,085.67	160,080.95	10,038.41	326,301.95	2,794,921.95	4,401,435.90
Cash Disbursements:						
Salaries	5,734.68	6,708.45	3,411.25	27,852.57	66,643.23	50,101.03
Claims:						
Accident & Health						
Property & Casualty		22,077.95				
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial						44,474.00
Consulting				1,147.50	12,112.50	14,946.30
Legal						
Judgments					16,673.99	9,951.23
Foreign Receiver Expense						
Building Maintenance						
Equipment Rental				126.95	4,061.02	176.00
Moving					1,631.51	2,698.66
Interest				266.58		
Travel					7,488.62	136.70
Office & Computer Supplies				3,717.26	15,272.54	17,210.71
Telephone	165.99	151.94	86.09	391.33	2,108.50	3,566.05
Postage	6.10	413.85	2.75	1,001.03	3,559.63	5,965.38
Reproduction				251.35	12,377.58	1,434.35
Miscellaneous Insurance						533.04
Federal Income Tax					2,607.40	392.00
Allocated Overhead	546.58	682.37	326.65	2,796.21	6,975.10	5,287.87
Miscellaneous Disbursements	543.06	427.42	80.00	5,970.33	195,678.60	146,925.34
Total Disbursements	6,996.41	30,661.98	3,906.74	43,521.11	367,190.22	303,778.66
Net Changes In Restrictions				(100,273.97)		
Cash Available 8/31/89	3,089.26	129,418.97	6,131.67	182,506.87	2,447,731.73	4,097,657.24

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	393	394	395	396	397	398
Rec Name:	U.S. Annuity Life Ins Co	Amer Mutual Liability Ins	GIC Ins Co	Americana Life Ins Co	North American Lloyds of Texas	American Underwriters
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership	752,187.40		1,374,778.26	32,278.93	550,352.73	764.35
Receivables				40,000.00	338,702.55	783.99
Litigation Settlement					3,911.55	
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						1,400.00
Computer Systems						
Other Assets						
Guaranty Fund Loans	100,000.00	350,000.00	2,100,886.73		200,000.00	85,412.68
Other Loans						
Premium Income			644,833.11		79,892.78	
Interest	4,203.31	725.75	10,523.41	189.07	9,323.63	80.91
Miscellaneous Receipts	213.25		94,684.50		13,415.92	
Total Receipts	856,603.96	350,725.75	4,225,706.01	72,468.00	1,195,599.16	88,441.93
Total Cash Available 8/31/88 and Cash Receipts	856,603.96	350,725.75	4,225,706.01	72,468.00	1,195,599.16	88,441.93
Cash Disbursements:						
Salaries	26,523.52	25,633.50	59,278.76		53,908.42	10,756.12
Claims:						
Accident & Health			1,618,644.74			
Property & Casualty		18,388.21				
Reinsurance						50,000.00
Professional Services:						
Auditing						
Accounting					8,882.50	
Actuarial			6,762.76			
Consulting						
Legal	14,004.85		23,197.05		16,363.49	1,430.00
Judgments	18,750.00					
Foreign Receiver Expense						
Building Maintenance	400.16		10,414.46		142.00	
Equipment Rental	682.90		4,351.59			
Moving	113.02		452.67		824.26	
Interest						
Travel	9,786.68	4,451.23	13,554.53		12,345.63	151.46
Office & Computer Supplies	68.28		9,633.48		1,123.60	
Telephone	2,182.47	1,452.39	9,088.46		2,559.85	545.93
Postage	292.15	51.90	41,068.64		10,540.75	5.09
Reproduction	136.50		67.36			
Miscellaneous Insurance			16,879.00			
Federal Income Tax						
Allocated Overhead	2,873.34	2,471.84	6,210.25		5,564.48	966.60
Miscellaneous Disbursements	6,222.07		270,970.22		6,673.08	392.00
Total Disbursements	82,035.94	52,449.07	2,089,553.97	0.00	118,928.06	64,247.20
Net Changes In Restrictions	(202,086.88)			(40,000.00)		
Cash Available 8/31/89	572,481.14	298,276.68	2,136,152.04	32,468.00	1,076,671.10	24,194.73

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	399	400	401	402	403	404
Rec Name:	Confidence Life Ins Co	America West Health Benefit	Christian Brotherhood	Maxey Ins Agency, et al	Texas National Title Co	First Sthwst Lloyds
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership	2,131.42	268,588.99	27,050.19		70,604.32	13,640.27
Receivables						127,047.22
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Other Assets						
Guaranty Fund Loans	10,000.00		15,000.00	3,000.00	10,000.00	
Other Loans						
Premium Income		448.64	390.00			28,198.87
Interest	18.47	888.88	26.49	2.90		657.53
Miscellaneous Receipts	3,672.73		102.00			
Total Receipts	15,822.62	269,926.51	42,568.68	3,002.90	80,604.32	169,543.89
Total Cash Available 8/31/88 and Cash Receipts	15,822.62	269,926.51	42,568.68	3,002.90	80,604.32	169,543.89
Cash Disbursements:						
Salaries	3,217.70	1,215.88	660.63	1,054.44		
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing						
Accounting						
Actuarial						
Consulting						
Legal			2,465.00			
Judgments						
Foreign Receiver Expense						
Building Maintenance			85.75			
Equipment Rental						
Moving						
Interest						
Travel	231.35	428.73	6,302.29	1,036.24		
Office & Computer Supplies			1,010.15			
Telephone	609.87	341.25	534.47			
Postage	5.20	188.47				
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	373.03	137.73	54.79	70.44		
Miscellaneous Disbursements	164.32	214.23	650.00	392.00		9.00
Total Disbursements	4,601.47	2,526.29	11,763.08	2,553.12	0.00	9.00
Net Changes In Restrictions		(109,272.54)				
Cash Available 8/31/89	11,221.15	158,127.68	30,805.60	449.78	80,604.32	169,534.89

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #:	405	406	407	408	409	410
Rec Name:	General Indemn Ins Co	Consolidated Benefit Health	Texas Investors Life Ins Co	Financial Svices-Houston	Galaxie Life Ins Co	United Trvlers Ins Co
Cash Available 8/31/88						
Cash Receipts:						
Funds on Date of Receivership	60,699.92	48,891.69	1,283,602.80			
Receivables			170,507.78			
Litigation Settlement						
Securities						
Statutory Deposits						
Funds Held - Other						
Furniture & Equipment						
Computer Systems						
Other Assets						
Guaranty Fund Loans			30,000.00			
Other Loans						
Premium Income			96,136.64	1,636.82		
Interest			873.36			
Miscellaneous Receipts			2,216.01			
Total Receipts	60,699.92	48,891.69	1,583,336.59	1,636.82	0.00	0.00
Total Cash Available 8/31/88 and Cash Receipts	60,699.92	48,891.69	1,583,336.59	1,636.82	0.00	0.00
Cash Disbursements:						
Salaries	12,253.43		15,408.85			
Claims:						
Accident & Health						
Property & Casualty						
Reinsurance						
Professional Services:						
Auditing						
Accounting			307.66			
Actuarial						
Consulting						
Legal						
Judgments						
Foreign Receiver Expense						
Building Maintenance	64.50					
Equipment Rental						
Moving						
Interest						
Travel	2,495.34					
Office & Computer Supplies			567.28			
Telephone	360.62		188.63			
Postage						
Reproduction						
Miscellaneous Insurance						
Federal Income Tax						
Allocated Overhead	1,423.24		1,756.10			
Miscellaneous Disbursements	3,018.38		1,820.00			
Total Disbursements	19,615.51	0.00	20,048.52	0.00	0.00	0.00
Net Changes In Restrictions						
Cash Available 8/31/89	41,084.41	48,891.69	1,563,288.07	1,636.82	0.00	0.00

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

Rec #: / Rec Name:	Total Receiverships	C268 True People of America
Cash Available 8/31/88		132.21
Cash Receipts:		
Funds on Date of Receivership	10,168,402.17	
Receivables	7,162,365.50	
Litigation Settlement	1,857,620.74	
Securities	3,046,510.44	
Statutory Deposits	119,296.20	
Funds Held - Other	125,000.00	
Furniture & Equipment	151,415.24	
Computer Systems	0.00	
Other Assets	201,153.00	
Guaranty Fund Loans	44,212,616.60	
Other Loans	(11,423.99)	(132.21)
Premium Income	2,259,440.23	
Interest	4,899,501.75	
Miscellaneous Receipts	562,746.77	
Total Receipts	74,754,642.65	(132.21)
Total Cash Available 8/31/88 and Cash Receipts	131,238,408.39	0.00
Cash Disbursements:		
Salaries	5,383,593.93	
Claims:		
Accident & Health	4,976,612.98	
Property & Casualty	16,525,407.26	
Reinsurance	10,754,711.36	
Professional Services:		
Auditing	310,712.33	
Accounting	396,823.26	
Actuarial	191,919.24	
Consulting	42,351.74	
Legal	5,627,332.87	
Judgments	24,750.00	
Foreign Receiver Expense	7,494.48	
Building Maintenance	23,734.20	
Equipment Rental	64,069.33	
Moving	50,247.90	
Interest	41,608.13	
Travel	398,493.49	
Office & Computer Supplies	71,391.19	
Telephone	171,464.46	
Postage	302,289.51	
Reproduction	62,249.82	
Miscellaneous Insurance	34,084.05	
Federal Income Tax	522.00	
Allocated Overhead	711,596.41	
Miscellaneous Disbursements	4,241,426.57	
Total Disbursements	52,414,886.51	0.00
Net Changes In Restrictions	(2,873,409.93)	
Cash Available 8/31/89	75,950,111.95	0.00

Liquidation Division of the State Board of Insurance

Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1989

(UNAUDITED)

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NOTES:

1. Several receiverships show negative Total Receipts and negative Total Cash Available 8/31/88 and Cash Receipts balances because loans from the Guaranty Association and repayments to the Guaranty Association are netted together and because Net Changes in Restrictions are shown separately from cash receipts.

2. Receiverships #206, #227, #230, #238, #244, #271, #283, #288, #295, #333 and #362 were closed by Court Order during the year ended 8/31/89.

3. Conservatorship #C268 closed during the year ended 8/31/89.

4. Receiverships #378 - Walker General Agency and #381 - Southern Life Investment consolidated with #371 - National County Mutual Fire Insurance Company during the year ended 8/31/89.

5. Receiverships #409 and #410 had no recorded activity as of 8/31/89.

PART IV - SUMMARY OF INFORMATION FROM ANNUAL STATEMENTS

Figure 65. Grand Total - Texas Premium Summary: 1987 -- 1988

	As of December 31, 1987	As of December 31, 1988
Total Property & Casualty	$14,101,515,238	$14,262,832,572
Total Life & Annuity	6,306,465,391	6,473,451,233
Total Accident & Health	5,486,829,339	5,169,852,808
Health Maintenance Organizations	1,070,277,613	1,008,580,348
Non-Profit Legal Services Corporations	569,520	588,328
TOTAL	$26,965,657,102	$26,915,305,289

Figure 66. Texas Premium Summary: Property and Casualty: 1987 -- 1988

	As of December 31, 1987	As of December 31, 1988
RATE REGULATED*		
Automobile	$4,261,621,340	$4,473,087,615
Workers' Compensation	2,456,945,329	2,906,377,185
Fire & Allied Lines	2,805,041,483	2,742,924,202
Liability	1,943,953,014	2,006,329,640
Title	341,912,840	299,995,475
Other	488,057,466	387,398,813
NON-RATE REGULATED		
Farm Mutual Companies	96,936,192	77,971,963
County Mutual Companies**	914,910,668	794,378,026
Unauthorized & Surplus Lines	792,136,906	574,369,653
TOTAL	$14,101,515,238	$14,262,832,572

* *Includes Lloyd's companies which are not rate regulated as to Fire and Allied Lines*

** *Primarily automobile including mobile homes*

Figure 67. Texas Premium Summary: Life, Accident & Health and Annuity: 1987 -- 1988

	As of December 31, 1987	As of December 31, 1988
LIFE & ANNUITY--LEGAL RESERVE		
Ordinary Life	$ 3,627,370,315	$ 3,533,651,105
Group	631,527,026	660,092,306
Industrial	32,349,986	29,514,428
Credit	177,307,730	166,600,761
Annuity	1,808,003,459	2,054,759,578
LIFE & ANNUITY -- OTHER THAN LEGAL RESERVE		
Life	28,203,817	28,497,035
Annuity	1,703,058	336,020
ACCIDENT & HEALTH -- LEGAL RESERVE		
Group	$3,797,750,458	3,566,360,279
Individual	802,838,993	631,195,692
Credit	126,072,863	127,510,117
ACCIDENT & HEALTH -- OTHER THAN LEGAL RESERVE*		
Group	670,773,484	760,493,405
Individual	89,393,541	84,293,315
TOTAL	$11,793,294,730	$11,643,304,041

Figure 68. Summary of Information From Annual Statements: Legal Reserves Life Insurance Companies for Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Net Premium Income		
Life Insurance	$ 4,606,614,091	$ 106,696,377,689
Accident & Health	2,528,386,328	49,568,300,373
Admitted Assets	37,352,305,243	1,142,179,897,335
Liabilities, Excluding Capital	33,002,032,822	1,077,696,714,024
Paid-Up Capital	230,754,342	2,155,094,686
Surplus (Excluding Paid-Up Capital)	4,119,518,079	62,328,088,625
Net Gain From Operation	540,997,237	7,528,641,307

Figure 69. Summary of Information From Annual Statements: Legal Reserve Life Insurance Companies For Calendar Year 1988 (Texas Business Only)

TEXAS COMPANIES

	ORDINARY	GROUP	INDUSTRIAL	CREDIT LIFE
Life Premiums	$668,245,253	$115,975,069	$ 5,607,587	$ 89,318,416
Annuity Considerations	484,029,551	31,196,667	-0-	-0-
Other Lines of Business	-0-	-0-	-0-	-0-
Annuity & Other Fund Deposits	28,976,481	57,174,757	-0-	-0-
Life/Annuity Policy Dividends	12,486,884	-0-	-0-	-0-
Claims & Benefits	559,041,786	140,787,401	8,953,006	28,604,973

	PREMIUMS WRITTEN	LOSSES PAID	DIVIDEND PAID
Accident & Health			
Group	$1,239,278,359	$1,190,800,129	$ -0-
Individual	234,556,479	123,441,810	9,479
Credit	57,002,226	28,995,424	-0-

FOREIGN COMPANIES

	ORDINARY	GROUP	INDUSTRIAL	CREDIT LIFE
Life Premiums	$2,739,350,155	$ 544,117,237	$23,906,841	$ 77,282,345
Annuity Considerations	1,122,090,479	417,442,881	-0-	-0-
Other Lines of Business	1,000,781	14,641,965	-0-	-0-
Annuity & Other Fund Deposits	499,745,942	515,610,057	-0-	-0-
Life/Annuity Policy Dividends	447,264,599	17,938,224	1,997,038	1,293,224
Claims & Benefits	1,910,555,532	1,626,989,839	24,915,933	28,755,659

	PREMIUMS WRITTEN	LOSSES PAID	DIVIDEND PAID
Accident & Health			
Group	$2,327,081,920	$2,017,655,302	$ 4,843,927
Individual	384,112,392	396,820,936	1,712,667
Credit	70,507,891	33,033,186	1,092,970

Figure 70. Summary of Information From Annual Statements: Stipulated Premium Companies for Calendar Year 1988 (All Companies Combined)

TEXAS BUSINESS ONLY

	ORDINARY	ANNUITY	INDIVIDUAL ACCIDENT & HEALTH
Premiums	$ 24,955,047	$ 336,020	$ 84,293,315
Claims and Benefits	10,675,709	-0-	50,089,733

Net Premium Income, Life Insurance	$ 25,754,702
Net Premium Income, Accident & Health Insurance	81,041,756
Admitted Assets	221,001,614
Liabilities	154,556,808
Capital Paid-Up	5,683,492
Surplus (Excluding Capital Paid-Up)	60,761,314
Net Gain from Operations	5,536,003

Figure 71. Summary of Information From Annual Statements: Filed By Fraternal Benefit Societies For Calendar Year 1988 (All Societies Combined)

	TEXAS SOCIETIES	FOREIGN SOCIETIES
Net Received from Members	$ 25,951,207	$ 2,943,448,491
Total Benefits Paid (Before Allowance for Reinsurance)	7,718,622	659,023,941
Admitted Assets	245,656,643	20,584,968,962
Total Reserves	179,150,329	16,185,752,473
Certificate and Contract Claims Unpaid	1,354,966	86,592,565
Other Current Liabilities	8,634,214	2,309,524,952
Total Liabilities	190,711,373	18,561,958,078
Special Reserves and Unassigned Funds	54,945,267	2,024,010,879
Insurance in Force	1,348,049,964	136,585,615,324
TEXAS BUSINESS ONLY		
Number of Lodges	1,146	1,599
Life Certificates Issued During 1988		
Number	11,286	28,683
Amount	$257,245,312	$ 1,387,484,626
Life Certificates in Force December 31, 1988		
Number	268,575	313,867
Amount	$1,333,672,547	$ 6,843,208,233
Total Payments Received from Members During 1988		
Life	$ 22,710,569	$ 103,345,128
Accident and Health	4,156,218	8,370,603
Insurance Benefits Paid Members During 1988		
Life	$ 6,119,102	$ 20,801,283
Accident and Health	2,494,949	5,838,737

Figure 72. Summary of Information From Annual Statements: Statewide Mutual Assessment Companies For Calendar Year 1988 (All Companies Combined)

Number of Members	43,605
Amount of Insurance In Force	$ 33,827,082
Ledger Assets - December 31, 1987	
Mortuary Fund	16,775,857
Expense Fund	2,504,211
Total Premium Income	
Mortuary Fund	537,483
Expense Fund	640,188
Total Other Income	
Mortuary Fund	1,662,651
Expense Fund	58,442
Claims Paid	
Mortuary Fund	770,384
Expense Fund	-0-
Other Expenditures	
Mortuary Fund	30,331
Expense Fund	839,038
Companies Retiring During 1988	
Mortuary Fund	-0-
Expense Fund	-0-
Ledger Assets - December 31, 1988	
Mortuary Fund	18,175,276
Expense Fund	2,363,803
Liabilities - December 31, 1988	
Mortuary Fund	7,766,029
Expense Fund	156,987
Mortuary Fund - December 31, 1988	
Net Admitted Assets	18,893,873
Aggregate Policy Reserves	7,040,931
Other Liabilities	725,098

Figure 73. Summary of Information From Annual Statements: Local Mutual Aid Associations For Calendar Year 1988 (All Associations Combined)

Number of Members	98,777
Amount of Insurance in Force	$ 60,173,238
Ledger Assets - December 31, 1987	
Mortuary Fund	24,466,899
Expense Fund	470,845
Total Premium Income	
Mortuary Fund	1,049,960
Expense Fund	831,950
Total Other Income	
Mortuary Fund	1,993,123
Expense Fund	56,348
Claims Paid	
Mortuary Fund	1,209,148
Expense Fund	-0-
Other Expenditures	
Mortuary Fund	128,679
Expense Fund	880,089
Companies Retiring During 1988	
Mortuary Fund	713,801
Expense Fund	8,744
Ledger Assets - December 31, 1988	
Mortuary Fund	25,458,354
Expense Fund	470,310
Liabilities - December 31, 1988	
Mortuary Fund	11,370,387
Expense Fund	(32,178
Mortuary Fund - December 31, 1988	
Net Admitted Assets	26,283,189
Aggregate Policy Reserves	11,214,383
Other Liabilities	156,002

Figure 74. Summary of Information From Annual Statements: Burial Associations For Calendar Year 1988 (All Associations Combined)

Number of Members	17,541
Amount of Insurance in Force	$ 1,633,494
Ledger Assets - December 31, 1987	
Mortuary Fund	2,644,571
Expense Fund	23,963
Total Premium Income	
Mortuary Fund	30,894
Expense Fund	19,468
Total Other Income	
Mortuary Fund	215,214
Expense Fund	2,450
Claims Paid	
Mortuary Fund	48,906
Expense Fund	-0-
Other Expenditures	
Mortuary Fund	195
Expense Fund	22,720
Companies Retiring During 1988	
Mortuary Fund	-0-
Expense Fund	-0-
Ledger Assets - December 31, 1988	
Mortuary Fund	2,841,578
Expense Fund	23,161
Liabilities - December 31, 1988	
Mortuary Fund (Net of Adjusted Permissive Deficiency Reserve)	638,615
Expense Fund	2,941
Mortuary Fund - December 1988	
Net Admitted Assets	2,859,241
Aggregate Policy Reserves	631,243
Other Liabilities	7,372

Figure 75. Summary of Information From Annual Statements: Exempt Associations and Non-Profit Group Hospital Service For Calendar Year 1988 (All Associations Combined)

EXEMPT ASSOCIATIONS

Number of Members	19,769
Balance - December 31, 1987	$ 3,246,377
Total Receipts	6,073,437
Claims Paid	6,111,151
All Other Disbursements	468,462
Balance - December 31, 1988	2,740,201

Figure 76. Summary of Information From Annual Statements: Health Maintenance Organizations and Non-Profit Legal Services Corporations For Calendar Year 1988 (All Companies Combined)

HEALTH MAINTENANCE ORGANIZATIONS

Number of Enrollees	1,999,166
Direct Premiums Written	$ 1,397,745,643
Reinsurance Assumed	-0-
Reinsured Ceded	3,420,555
Net Premium Written	1,394,325,088
Claims Paid	1,233,023,364
Claims Unpaid	220,799,559
Net Admitted Assets	378,685,463
Total Liabilities	391,584,256
Capital	6,501,955
Total Surplus and Unassigned Funds	(19,352,600)

NON-PROFIT LEGAL SERVICES CORPORATIONS

Number of Participants	5,938
Net Assessments in Force	$ 588,328
Net Assessments Written	
Claims Fund	412,164
Expense Fund	176,164
Net Claims Paid	-0-
Admitted Assets	
Claims Fund	7,140
Expense Fund	40,608
Total Liabilities	
Claims Fund	7,140
Expense Fund	4,148
Total Policyholders' Surplus	
Claims Fund	-0-
Expense Fund	36,460

Figure 77. Summary of Information From Annual Statements For Calendar Year 1988: Title Companies and County Mutual Fire Insurance Companies Combined

TITLE COMPANIES

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 344,043,835	$ 2,609,707,839
Losses Paid	23,477,053	213,883,684
Dividends Paid	2,210,000	57,059,090
Net Income	(6,474,489)	26,680,413
Admitted Assets	197,774,730	1,871,558,919
Liabilities, Except Capital	112,280,790	1,100,171,390
Capital Paid-Up	13,500,000	203,018,321
Surplus	71,993,940	568,369,208
Texas Business During 1988		
Premiums	134,354,044	165,641,431
Losses Paid	10,136,589	29,484,029

COUNTY MUTUAL FIRE INSURANCE COMPANIES

Direct Premium Income	$ 794,378,026
Reinsurance Assumed	18,246
Reinsurance Ceded	736,389,846
Net Premium Income	58,006,426
Direct Losses Paid	431 954,812
Admitted Assets	127,869,466
Total Liabilities	85,266,936
Surplus	42,602,530
Total Unpaid Claims	14,156,281
Total Unearned Premiums	14,244,122
Net Income	4,889,608

Figure 78. Summary of Information From Annual Statements: Stock Fire Insurance Companies for Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 19,110,246	$ 115,165,230
Reinsurance Assumed	3,936,293	106,443,577
Reinsurance Ceded	18,383,421	86,394,308
Net Premium Income	4,663,118	135,214,499
Losses Paid	34,599,696	55,143,626
Stockholders' Dividend Paid	-0-	1,130,000
Admitted Assets	9,463,336	168,658,348
Total Liabilities	4,160,019	106,077,354
Capital Paid-Up	2,605,100	7,000,000
Surplus, (Exclusive of Capital)	2,698,217	55,580,594
Treasury Stock	-0-	-0-
Total Unpaid Claims	1,812,413	35,301,532
Total Unearned Premiums	337,461	57,924,960
Net Income	457,473	379,899
TEXAS BUSINESS ONLY		
FIRE AND ALLIED LINES		
Premiums	$ 4,052,100	$ 238,500
Losses	2,229,678	123,630
WORKERS' COMPENSATION		
Premiums	$ -0-	-0-
Losses	-0-	37,415
OTHER CASUALTY LINES		
Premiums	$ 214,233	-0-
Losses	244	-0-
AUTOMOBILE		
Premiums	$ 3,477	-0-
Losses	27,084	-0-
TOTALS		
Premiums	$ 4,269,810	$ 238,500
Losses	2,257,006	161,045

Figure 79. Summary of Information From Annual Statements: Stock Casualty Insurance Companies For Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 19,532,072	$ 2,250,218,141
Reinsurance Assumed	5,418,307	334,298,782
Reinsurance Ceded	12,955,396	587,056,474
Net Premium Income	11,994,983	1,997,460,449
Losses Paid	5,235,874	1,626,821,655
Stockholders' Dividend Paid	-0-	71,379,745
Admitted Assets	28,288,984	8,230,758,593
Total Liabilities	15,205,809	5,300,389,377
Capital Paid-Up	1,200,000	431,743,202
Surplus, (Exclusive of Capital)	11,883,175	2,498,626,014
Treasury Stock	-0-	93,323,573
Total Unpaid Claims	5,068,927	1,821,468,500
Total Unearned Premiums	5,694,648	1,837,435,138
Net Income	2,766,437	283,795,289
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums	-0-	$ 1,740,307
Losses	-0-	1,033,924
Automobile		
Premiums	64,045	-0-
Losses	5,717	-0-
Workers' Compensation		
Premiums	6,659,793	13,479,063
Losses	3,673,756	1,638,476
Accident and Health		
Premiums	-0-	2,878,022
Losses	-0-	2,339,036
Aircraft Physical Damage		
Premiums	-0-	-0-
Losses	-0-	-0-
Credit Guaranty		
Premiums	-0-	68,985,479
Losses	-0-	340,100,115
Other Casualty Lines		
Premiums	4,329,184	96,524,814
Losses	898,672	46,049,472
Totals		
Premiums	11,053,022	183,607,684
Losses	4,578,145	391,161,023

Figure 80. Summary of Information From Annual Statements: Mutual Fire and Casualty Companies For Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 505,449,377	$ 34,541,268,026
Reinsurance Assumed	104,369,369	16,511,900,722
Reinsurance Ceded	290,149,861	14,034,810,797
Net Premium Income	319,668,885	37,018,357,951
Losses Paid	432,423,970	21,477,747,090
Stockholders' Dividend Paid	-0-	907,705
Admitted Assets	873,172,895	81,800,784,466
Total Liabilities	696,244,836	52,968,084,091
Surplus, (As Regards to Policyholders)	176,928,059	28,832,700,375
Total Unpaid Claims	498,975,553	32,271,442,374
Total Unearned Premiums	148,498,138	10,741,264,571
Net Income	(6,948,036)	1,856,836,749

TEXAS BUSINESS ONLY

Fire and Allied Lines		
Premiums	$ 50,036,225	$ 111,057,395
Losses	21,272,244	54,094,487
Ocean Marine		
Premiums	-0-	9,665,745
Losses	-0-	1,234,631
Automobile		
Premiums	152,780,500	$ 1,211,769,882
Losses	112,182,726	808,151,759
Workers' Compensation		
Premiums	270,641,731	469,514,096
Losses	276,511,980	395,070,870
Accident and Health		
Premiums	468,608	69,184,055
Losses	222,200	64,957,269
Aircraft Physical Damage		
Premiums	-0-	1,419,399
Losses	-0-	2,126,540
Credit Guaranty		
Premiums	-0-	174,106
Losses	-0-	164,333
Other Casualty Lines		
Premiums	20,196,414	90,127,263
Losses	15,467,821	57,796,976
Totals		
Premiums	494,123,478	1,962,911,941
Losses	425,656,971	1,383,596,866

Figure 81. Summary of Information From Annual Statements: Stock Fire And Casualty Insurance For Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 3,205,265,532	$123,473,546,634
Reinsurance Assumed	1,260,848,642	96,916,645,005
Reinsurance Ceded	2,192,274,076	101,858,675,183
Net Premium Income	2,273,840,098	181,531,516,459
Losses Paid	2,083,044,682	66,595,936,443
Stockholders' Dividend Paid	55,511,590	4,975,101,649
Admitted Assets	5,650,734,780	304,934,068,095
Total Liabilities	3,426,887,001	229,768,845,843
Capital Paid Up	131,870,571	2,574,921,239
Surplus, (Exclusive of Capital)	2,105,441,698	72,671,353,868
Treasury Stock	13,464,500	81,052,855
Total Unpaid Claims	1,788,600,571	132,603,269,559
Total Unearned Premiums	768,375,536	47,880,871,113
Net Income	160,311,430	12,918,478,974

TEXAS BUSINESS ONLY

Fire and Allied Lines		
Premiums	$ 303,211,224	$ 1,544,877,237
Losses	193,035,141	971,955,860
Ocean Marine		
Premiums	11,059,915	95,435,306
Losses	9,627,497	86,058,904
Automobile		
Premiums	894,583,219	1,954,323,885
Losses	579,153,072	1,302,898,352
Workers' Compensation		
Premiums	458,313,614	1,617,971,525
Losses	360,390,331	1,357,018,498
Accident and Health		
Premiums	1,641,400	107,566,354
Losses	1,244,970	152,971,154
Aircraft Physical Damage		
Premiums	8,057,836	69,311,060
Losses	1,253,282	43,213,641
Credit Guaranty		
Premiums	229,062	4,741,146
Losses	195,656	2,172,842
Other Casualty Lines		
Premiums	286,147,316	1,145,059,501
Losses	186,730,587	776,679,520
Totals		
Premiums	1,963,243,586	6,539,286,014
Losses	1,331,630,537	4,692,968,771

Figure 82. Summary of Information From Annual Statements: Lloyds For Calendar Year 1988 (All Lloyds Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 810,003,288	$ 17,158,792
Reinsurance Assumed	37,484,459	193,851
Reinsurance Ceded	774,290,390	14,046,096
Net Premium Income	73,197,358	3,306,547
Losses Paid	395,688,491	2,260,577
Dividends Paid Underwriters	2,902,500	-0-
Admitted Assets	267,708,573	9,349,449
Total Liabilities	142,742,387	3,205,179
Surplus (Including Guaranty Fund	124,966,186	6,144,270
Total Unpaid Claims	33,764,406	744,406
Total Unearned Premiums	19,506,960	1,949,849
Net Income	13,348,079	699,179
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums	$ 472,745,729	$ 2,337,266
Losses	252,907,888	1,466,289
Ocean Marine		
Premiums	(174)	-0-
Losses	-0-	-0-
Automobile		
Premiums	79,002,211	89,357
Losses	34,144,230	-0-
Workers' Compensation		
Premiums	36,143,241	-0-
Losses	17,203,570	-0-
Accident and Health		
Premiums	770,287	-0-
Losses	259,100	-0-
Aircraft Physical Damage		
Premiums	-0-	-0-
Losses	-0-	-0-
Credit Guaranty		
Premiums	904,180	-0-
Losses	76,809	-0-
Other Casualty Lines		
Premiums	192,142,291	-0-
Losses	80,953,519	-0-
Totals		
Premiums	781,707,763	2,426,623
Losses	385,545,119	1,466,289

Figure 83. Summary of Information From Annual Statements: Reciprocal Exchanges For Calendar Year 1988 (All Exchanges Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 2,162,116,909	$ 3,662,122,683
Reinsurance Assumed	58,220,079	6,416,795,372
Reinsurance Ceded	101,074,261	4,467,149,147
Net Premium Income	2,119,262,727	5,611,768,909
Losses Paid	1,162,717,469	1,978,516,136
Admitted Assets	4,820,094,760	9,180,733,299
Total Liabilities	2,553,579,209	6,996,259,741
Surplus, as Regards to Policyholders	2,266,515,551	2,184,473,558
Total Unpaid Claims	1,340,986,011	3,926,964,697
Total Unearned Premiums	707,761,794	1,546,386,159
Net Income	226,319,661	132,355,917

TEXAS BUSINESS ONLY

Fire and Allied Lines		
Premiums	$ 122,141,742	$ 130,486,477
Losses	57,483,533	81,487,085
Ocean Marine		
Premiums	1,103,681	-0-
Losses	643,588	-0-
Automobile		
Premiums	158,625,301	21,124,361
Losses	105,066,491	16,927,185
Workers' Compensation		
Premiums	5,226,328	28,427,794
Losses	3,853,718	18,346,452
Accident and Health		
Premiums	5,284,067	-0-
Losses	3,964,891	-0-
Aircraft Physical Damage		
Premiums	-0-	933,304
Losses	-0-	1,665,496
Credit Guaranty		
Premiums	-0-	-0-
Losses	-0-	-0-
Other Casualty Lines		
Premiums	75,116,705	21,652,179
Losses	39,702,895	9,004,922
Totals		
Premiums	367,497,825	202,624,115
Losses	210,715,045	127,431,140

Figure 84. Summary of Information From Annual Statements: Risk Retention Groups For Calendar Year 1988 (All Companies Combined)

	TEXAS COMPANIES
Direct Premium Income	$ 17,105,975
Reinsurance Assumed	401,015
Reinsurance Ceded	8,710,273
Net Premium Income	8,796,717
Losses Paid	818,455
Stockholders' Dividend Paid	-0-
Admitted Assets	25,533,318
Total Liabilities	16,108,363
Capital Paid-Up	1,200,000
Surplus, (Exclusive of Capital)	8,224,955
Treasury Stock	-0-
Total Unpaid Claims	6,580,349
Total Unearned Premiums	1,855,963
Net Income	822,874
TEXAS BUSINESS ONLY	
Automobile	
Premiums	721,377
Losses	92,198
Other Casualty Lines	
Premiums	2,405,715
Losses	39,507
Totals	
Premiums	3,127,092
Losses	131,705

Figure 85. Summary of Information From Annual Statements: Farm Mutual Insurance Companies For Calendar Year 1988 (All Companies Combined)

Ledger Assets December 31, 1987	$ 118,511,891
Premium Income	61,031,440
Other Income	13,010,147
Total Income	74,041,587
Losses Paid to Members	41,423,518
Other Disbursements	22,780,734
Total Disbursements	64,204,252
Ledger Assets December 31, 1988	128,349,226
Net Admitted Assets	130,321,567
Total Liabilities	44,103,969

PART V - SBI FINANCIAL REPORT

Exhibit I - Combined Balance Sheet - All Fund Types and Account Groups

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT I
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
August 31, 1989
(With comparative memorandum totals for August 31, 1988)

	GOVERNMENTAL FUNDS	FIDUCIARY FUNDS
	SPECIAL REVENUE (EXH A-1)	TRUST AND AGENCY (EXH B-1)
ASSETS		
Cash and Temporary Investments:		
Cash on Hand	$ 500	$
Cash in Banks	1,000,383	7,598
Cash in State Treasury	15,425,985	21,110,283
Short Term Investments		17,500
Receivables:		
Insurance Examination Fees Receivable	763,123	
Less - Allowance for Doubtful Accts.	(223,902)	
Interest and Dividends Receivable	1,671	35
Accounts Receivable	884,913	
Due from Other Funds (Note 8)	25,500	
Consumable Inventories	212,273	
Fixed Assets (Note 2):		
Furniture and Equipment		
Vehicles		
Loans and Contracts		1,198,412
Allowance for Collection		(1,198,412)
Other Assets	10	
Resources to be Provided in Future Years for Payment of Compensable Leave (Note 4)		
TOTAL ASSETS	$ 18,090,456	$ 21,135,416
LIABILITIES		
Payables:		
Accounts Payable	4,631,492	
Unallocated and Undistributed Receipts		21,106,786
Due to Other Funds (Note 8)	34,423	
Notes and Loans Payable	1,025,000	
Funds Held in Custody For Others		3,497
Compensable Leave Balances		
TOTAL LIABILITIES	5,690,915	21,110,283
FUND EQUITY		
Investment in General Fixed Assets	--	--
Fund Balances:		
Reserved for -		
Petty Cash Funds	1,000	
Consumable Inventories	212,273	
Travel Advance Fund	205,000	
Encumbrances (Exh. III)	1,104,328	
Unreserved - Undesignated -		
Available for Subsequent Years	10,876,940	
Other		25,133
TOTAL FUND BALANCES (EXH. II)	12,399,541	25,133
TOTAL FUND EQUITY	12,399,541	25,133
TOTAL LIABILITIES AND FUND EQUITY	$ 18,090,456	$ 21,135,416

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

ACCOUNT GROUPS		TOTALS	
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(Memorandum Only) 1989	1988
$	$	$ 500	$ 1,377
		1,007,981	842,722
		36,536,268	45,362,000
		17,500	17,500
		763,123	627,488
		(223,902)	(188,321)
		1,706	1,448
		884,913	816,506
		25,500	115,407
		212,273	119,180
15,444,930		15,444,930	11,803,298
30,754		30,754	30,754
		1,198,412	1,210,413
		(1,198,412)	(1,210,413)
		10	10
	2,696,613	2,696,613	2,175,984
$15,475,684	$2,696,613	$57,398,169	$61,725,353
		4,631,492	4,699,613
		21,106,786	22,777,130
		34,423	347,109
		1,025,000	975,000
		3,497	19
	2,696,613	2,696,613	2,175,984
--	2,696,613	29,497,811	30,974,855
15,475,684	--	15,475,684	11,834,052
		1,000	1,000
		212,273	119,180
		205,000	200,000
		1,104,328	5,984,309
		10,876,940	12,586,631
		25,133	25,326
--	--	12,424,674	18,916,446
$15,475,684	--	27,900,358	30,750,498
$15,475,684	$2,696,613	$57,398,169	$61,725,353

Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the fiscal year ended August 31, 1989
(With comparative memorandum totals for the fiscal year ended August 31, 1988)

	GOVERNMENTAL FUNDS	FIDUCIARY FUNDS
	SPECIAL REVENUE (EXH A-2)	EXPENDABLE TRUST (EXH B-2)
REVENUES		
Taxes	$ 35,453,713	$
Licenses, Fees, and Permits	18,646,450	
Interest and Investment Income	21,923	1,708
Sales of Goods and Services	286,425	
Other Revenues	6,898,781	
TOTAL REVENUES	61,307,292	1,708
EXPENDITURES		
Current Operating:		
Salaries and Wages	38,317,818	
Payroll Related Costs	9,516,216	
Prof. Fees and Services (Sch. 1)	1,028,567	
Travel	2,122,430	
Materials and Supplies	1,408,942	
Communication and Utilities	1,245,602	
Repairs and Maintenance	695,447	
Rentals and Leases	4,513,929	
Printing and Reproduction	75,792	
Claims and Judgements	185	
Other Operating Expenditures	3,204,723	
TOTAL CURRENT OPERATING EXPENDITURES	62,129,651	--
Capital Outlay and Debt Service:		
Purchases of Fixed Assets	3,621,216	
Debt Service - Interest on Capital Leases		
TOTAL CAPITAL OUTLAY AND DEBT SERVICE	3,621,216	--
TOTAL EXPENDITURES	65,750,867	--
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(4,443,575)	1,708

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TOTALS (Memorandum Only) 1989	1988
$35,453,713	$15,994,458
18,646,450	22,978,347
23,631	26,256
286,425	359,345
6,898,781	4,844,664
61,309,000	44,203,070
38,317,818	28,909,311
9,516,216	6,903,701
1,028,567	471,062
2,122,430	1,887,072
1,408,942	1,058,758
1,245,602	1,004,980
695,447	556,624
4,513,929	2,292,946
75,792	143,370
185	54,692
3,204,723	2,680,747
62,129,651	45,963,263
3,621,216	3,374,734
--	45,349
3,621,216	3,420,083
65,750,867	49,383,346
(4,441,867)	(5,180,276)

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT II (Concluded)
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the fiscal year ended August 31, 1989
(With comparative memorandum totals for the fiscal year ended August 31, 1988)

	GOVERNMENTAL FUNDS	FIDUCIARY FUNDS
	SPECIAL REVENUE (EXH A-2)	EXPENDABLE TRUST (EXH B-2)
OTHER FINANCING SOURCES (USES)		
Operating Transfers In:		
(Agency 454, Fund 999)	21,868	
Operating Transfers Out:		
(Agency 304, Fund 001)	(1,289,779)	
(Agency 303, Fund 001)	(589,569)	
(Agency 302, Fund 036)	(122,493)	
(Agency 454, Fund 999)	(20,251)	(1,617)
(Agency 551, Fund 974)	(100,000)	
(Agency 304, Fund 062)	(45,694)	
Liquidation of Liabilities for Expenditures Previously Recorded		
Establishment of Petty Cash Fund		
Increase in Travel Advance Fund	5,000	
Net Change in Consumable Inventories	93,093	
Advances to Receiverships		
Adjustments to Assets and Liabilities	(179)	(284)
TOTAL OTHER FINANCING SOURCES (USES)	(2,048,004)	(1,901)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,491,579)	(193)
FUND BALANCES - BEGINNING OF YEAR	18,891,120	25,326
FUND BALANCES - END OF YEAR (EXH. I)	$ 12,399,541	$ 25,133

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Exhibit III - Comparison of Funds Budgeted to Funds Applied and Encumbered

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STATE BOARD OF INSURANCE (454)

EXHIBIT III
COMPARISION OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
For the fiscal year ended August 31, 1989

	LEGISLATIVE APPROPRIATIONS AND BALANCES	ADDITIONAL APPROPRIATIONS AND ADJUSTMENTS
LEGISLATIVE APPROPRIATIONS		
Current Year:		
Insurance Operating Fund 036:		
Board Offices	$ 1,587,395	$
Commissioner's Office	4,780,367	
Administrative Services	6,949,153	
Legal and Compliance	3,378,025	
Casualty Insurance Rating & Regulation	3,814,698	
Property Insurance Rating & Regulation	4,037,978	
Corporate and Financial Affairs	6,380,137	
Life Insurance Regulation	3,526,482	
State Fire Marshal	2,338,988	
S.B. 2, 70th Leg., 1st C.S.	2,000,000	
H.B. 2012, 70th Leg., R.S.	3,189,022	
S.B. 293, S.B. 1148, H.B. 1021, S.B. 199, S.B. 80, S.B. 1439, H.B. 390, 70th Leg.,R.S.	684,113	
H.B. 677, 70th Leg., R.S.	63,892	
H.B. 170, 70th Leg., 2nd C.S.		2,229,324
Reprinting of Texas General Basis Schedule		136,000
Disaster Travel		
Office Rental and Moving Expenses		424,242
Market Assistance Program		65,000
Social Security -		
Regular		2,552,824
Paid by State on Behalf of Employees		1,283,780
Retirement Contributions and Related Costs		2,349,517
Employee Insurance Premiums		1,965,781
Workers Compensation Benefit		103,657
Unemployment Compensation Benefits		21,086
Transfer to General Revenue for Services		1,289,779
Building Maintenance - SPGSC		589,569
Transfer to Attorney General		106,238
Construction Project 88-045-454		
Construction Project 89-008-454		
Transfer to Comptroller for Statewide Acct.		45,694
Transfer to Agriculture Department		100,000
Salary Increase Receiving Account		637,449
Claim Settlement		185
Sub-Total Insurance Operating Fund 036	42,730,250	13,900,125

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FUNDS BUDGETED		
TRANSFERS BETWEEN APPROPRIATIONS	APPROPRIATED REVENUES	TOTALS
$ 100,775	$ 108	$ 1,688,278
112,578	63,648	4,956,585
(158,052)	287,340	7,078,441
53,214	505	3,431,744
213,954	155,443	4,184,095
410,465	20	4,448,463
83,099	187	6,463,423
174,993	41	3,701,516
115,089	444	2,454,521
33,310		2,033,310
(263,367)	5	2,925,660
(19,546)		664,567
871		64,763
40,304		2,269,628
		136,000
25,000		25,000
(424,242)		--
126		65,126
		2,552,824
		1,283,780
		2,349,517
		1,965,781
		103,657
		21,086
		1,289,779
		589,569
		106,238
117,218		117,218
46,660		46,660
		45,694
		100,000
(637,449)		--
		185
25,000	507,733	57,163,108

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT III (Continued)
COMPARISION OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
For the fiscal year ended August 31, 1989

	LEGISLATIVE APPROPRIATIONS AND BALANCES	ADDITIONAL APPROPRIATIONS AND ADJUSTMENTS
LEGISLATIVE APPROPRIATIONS		
Consumer Protection Fund 001:		
Division of Consumer Protection	748,503	
Social Security -		
Regular		30,069
Paid by State on Employee Behalf		14,387
Retirement Contributions and Related Costs		26,980
Employee Insurance Premiums		18,801
Salary Increase Receiving Account		7,107
Sub-Total Consumer Protection Fund 001	748,503	97,344
Total Current Year Appropriations	43,478,753	13,997,469
Prior Year:		
Insurance Operating Fund 036	9,942,068	14,831
Consumer Protection Fund 001	561,629	(2,595)
Total Prior Year Appropriations	10,503,697	12,236
Total Appropriations	$ 53,982,450	$ 14,009,705

UNAUDITED

FUNDS BUDGETED		
TRANSFERS BETWEEN APPROPRIATIONS	APPROPRIATED REVENUES	TOTALS
7,107	968	756,578
		30,069
		14,387
		26,980
		18,801
(7,107)		--
--	968	846,815
25,000	508,701	58,009,923
(25,000)	32,902	9,964,801
		559,034
(25,000)	32,902	10,523,835
$ --	$ 541,603	$ 68,533,758

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STATE BOARD OF INSURANCE (454)

EXHIBIT III (Continued)
COMPARISION OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
For the fiscal year ended August 31, 1989

	FUNDS APPLIED	
	EXPENDITURES AND OTHER FINANCING USES	ENCUMBRANCES
LEGISLATIVE APPROPRIATIONS		
Current Year:		
Insurance Operating Fund 036:		
Board Offices	$ 1,632,390	$ 6,880
Commissioner's Office	4,844,003	18,103
Administrative Services	6,540,325	108,866
Legal and Compliance	3,346,168	1,608
Casualty Insurance Rating & Regulation	4,107,471	116
Property Insurance Rating & Regulation	4,352,528	665
Corporate and Financial Affairs	6,372,109	10,894
Life Insurance Regulation	3,702,241	
State Fire Marshal	2,412,746	7,590
S.B. 2, 70th Leg., 1st C.S.	1,984,901	
H.B. 2012, 70th Leg., R.S.	2,856,845	4,960
S.B. 293, S.B. 1148, H.B. 1021, S.B. 199, S.B. 80, S.B. 1439, H.B. 390,70th Leg.,R.S.	646,905	
H.B. 677, 70th Leg., R.S.	60,974	
H.B. 170, 70th Leg., 2nd C.S.	2,241,388	
Reprinting of Texas General Basis Schedule		
Disaster Travel		
Office Rental and Moving Expenses		
Market Assistance Program	21,440	
Social Security -		
Regular	2,552,824	
Paid by State on Behalf of Employees	1,283,780	
Retirement Contributions and Related Costs	2,349,517	
Employee Insurance Premiums	1,965,781	
Workers Compensation Benefit	103,657	
Unemployment Compensation Benefits	21,086	
Transfer to General Revenue for Services	1,289,779	
Building Maintenance - SPGSC	589,569	
Transfer to Attorney General	106,238	
Construction Project 88-045-454	117,218	
Construction Project 89-008-454	39,684	6,976
Transfer to Comptroller for Statewide Acct.	45,694	
Transfer to Agriculture Department	100,000	
Salary Increase Receiving Account		
Claim Settlement	185	
Sub-Total Insurance Operating Fund 036	55,687,446	166,658

UNAUDITED

AND ENCUMBERED			
APPROPRIATIONS LAPSED	TOTALS	VARIANCE	
	$ 1,639,270	$ -49,008	
	4,862,106	94,479	
	6,649,191	429,250	
	3,347,776	83,968	
	4,107,587	76,508	
	4,353,193	95,270	
	6,383,003	80,420	
	3,702,241	(25)	(Note 11)
	2,420,336	34,185	
	1,984,901	48,409	
	2,861,805	63,855	
	646,905	17,662	
	60,974	3,789	
	2,241,388	28,240	
	--	136,000	
	--	25,000	
	--	--	
	21,440	43,686	
	2,552,824	--	
	1,283,780	--	
	2,349,517	--	
	1,965,781	--	
	103,657	--	
	21,086	--	
	1,289,779	--	
	589,569	--	
	106,238	--	
	117,218	--	
	46,660	--	
	45,694	--	
	100,000	--	
	--	--	
	185	--	
--	55,854,104	1,309,004	

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STATE BOARD OF INSURANCE (454)

EXHIBIT III (Concluded)
COMPARISION OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
For the fiscal year ended August 31, 1989

	FUNDS APPLIED	
	EXPENDITURES AND OTHER FINANCING USES	ENCUMBRANCES
LEGISLATIVE APPROPRIATIONS		
Consumer Protection Fund 001:		
Division of Consumer Protection	628,780	17,027
Social Security -		
Regular	30,069	
Paid by State on Employee Behalf	14,387	
Retirement Contributions and Related Costs	26,980	
Employee Insurance Premiums	18,801	
Salary Increase Receiving Account		
Sub-Total Consumer Protection Fund 001	719,017	17,027
Total Current Year Appropriations	56,406,463	183,685
Prior Year:		
Insurance Operating Fund 036	4,741,470	920,643
Consumer Protection Fund 001	119,717	
Total Prior Year Appropriations	4,861,187	920,643
Total Appropriations	$ 61,267,650	$ 1,104,328
		(Exh. I)

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

UNAUDITED

AND ENCUMBERED

APPROPRIATIONS LAPSED	TOTALS	VARIANCE
	645,807	110,771
	30,069	--
	14,387	--
	26,980	--
	18,801	--
	--	--
--	736,044	110,771
--	56,590,148	1,419,775
3,662,291	9,324,404	640,397
439,317	559,034	--
4,101,608	9,883,438	640,397
$ 4,101,608	$ 66,473,586	$ 2,060,172
		(Note A)

Note A: Reconciliation of Variance:

Variance (Exh. III):	$ 2,060,172
Add:	
Encumbrances included in Fund Balance	1,104,328
Unappropriated Fund Balance (Fund 36):	
Available for Subsequent Years	7,971,413
Unappropriated Fund Balance (Fund 001):	
Available for Subsequent Years	726,914
Unappropriated Fund Equity, Local Funds:	
Special Revenue (999)	118,441
Expendable Trust (999)	25,133
Investment in General Fixed Assets	15,475,684
Reserve for Petty Cash	1,000
Reserve for Inventories	212,273
Reserve for Travel Advance	205,000
Total Fund Equity per Exhibit I, All Funds	$ 27,900,358

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

A. Entity

The State Board of Insurance is provided for in Articles 1.02 - 1.09, *Texas Insurance Code (Vernon 1981 and Supp. 1986)*. The history of the Board dates back to the Texas Constitution of 1876. Since then, the composition of the agency has changed several times. The latest change took place in 1957 when the Board of Insurance Commissioners was abolished and the State Board of Insurance was created. The primary responsibility of the Board is to regulate the insurance industry pursuant to provisions contained in the *Texas Insurance Code*. Our entity is a component of the statewide report which will be audited.

B. Basis of Presentation

The accompanying financial statements of the State Board of Insurance have been prepared to conform with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

C. Fund Structure

The accounts of the agency are presented on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a complete set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The funds and account groups used to reflect the agency's transactions are as follows:

Governmental Fund Types

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The Special Revenue funds of the agency include:

- Insurance Board Operating Fund (Fund 036)
- Division of Consumer Protection (Fund 001)
- Liquidator's Administrative Account (Local funds)
- Payroll Account (Local funds)
- General Expense Account (Local funds)
- Claims Clearing Account (Local funds)

Fiduciary Fund Types

Agency Funds - Agency funds are used to account for assets held as an agent for individuals, other government entities, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations. The agency funds of the State Board of Insurance are the Departmental Suspense Account (Fund 900), the Employees' Savings Bond Account (Fund 901), and the Unclaimed Dividend Trust Account (Fund 923).

Expendable Trust Funds - Expendable Trust Funds are used to account for trust funds, the principal and interest of which may be expended in the course of the designated operations. Included in this fund are the Trustee Account and the Abandoned Property Fund.

Account Groups

General Fixed Assets Account Group - Fixed assets used by the Agency are accounted for in the General Fixed Asset Account Group. This is a self-balancing management control and accountability listing that does not reflect available financial resources.

General Long-Term Debt Account Group - This account group is used to account for employees' compensable leave expected to be financed in future periods from governmental funds. This is a self-balancing accounting record which does not reflect available financial resources.

D. Memorandum Totals

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are for informational purposes only. Data in these columns does not present the financial position, results of operations, or changes in financial position in conformity with GAAP, nor is such data comparable to a consolidation.

E. Basis of Accounting

The basis of accounting determines when revenues are recognized in the accounts reported in the financial statements. All governmental fund types, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available and expenditures are recognized when the related fund liability is incurred. An exception is unpaid employee compensable leave, which is not recognized until actual payment is made. The principal of this long-term liability is reported in the General Long-Term Debt Account Group.

F. Budgets and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes.

Unencumbered appropriations are now generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

G. Assets, Liabilities and Fund Equity

Assets

Investments - Investments are stated at cost.

Inventories - Consumable inventories include supplies and postage on hand at year end.

Inventories for governmental funds are accounted for using the purchase method of accounting. The cost of these items is recognized as an expenditure at the time of purchase. These assets are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources."

Fixed Assets - Fixed assets are included with expenditures at the time of purchase and are reported at cost or estimated fair market value at acquisition date if acquired other than by purchase. There is no provision for depreciation or obsolescence of these fixed assets since replacements are financed from current resources.

Liabilities

Accounts Payable - Accounts Payable represent the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Employees' Compensable Leave - Employees' Compensable Leave Balances represent the liability that the Agency will be required to liquidate in the future for employee vacation time.

Reservations/Designations of Fund Equity

Reserved for Encumbrances - This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Consumable Inventories - This represents the amount of supplies and postage held to be used in the next fiscal year.

Reserved for Imprest Accounts - This represents a Travel Advance Fund on deposit in a local bank and a petty cash fund at the Agency. The Travel Advance Fund is for the purpose of advancing travel monies to those employees who are required to travel on official state business. Monies advanced from this fund are reimbursed when the respective employees' travel vouchers are processed.

Unreserved/Undesignated - Available for Subsequent Years represents the unappropriated balance of special revenue funds at year end. Other represents the unappropriated balance of expendable trust funds at year end.

Interfund Transactions and Balances

Quasi-external Transactions - These transactions would be treated as revenues or expenditures if they involved organizations external to state government. They are accounted for as revenues by the recipient fund and as expenditures by the disbursing fund. The accrual of these transactions is classified as accounts receivable or accounts payable on the balance sheet.

Reimbursements - These transactions represent expenditures or expenses applicable to a particular fund but paid from another fund. The transactions are reported as expenditures or expenses in the reimbursing fund and a reduction of corresponding amounts in the reimbursed fund. The accrual of these transactions is reported as accounts receivable or accounts payable on the balance sheet.

Operating Transfers - These routine transfers of resources are reported in the Other Financing Sources (Uses) section for governmental and expendable trust fund types. The accrual of these transactions is classified as Due From or Due To Other Funds on the balance sheet.

NOTE 2: Property, Plant & Equipment

A summary of changes in General Fixed Assets for the year ended August 31, 1989:

Figure 86. Changes in General Fixed Assets

Asset Type	Balance 9-1-88	Additions	Deletions	Balance 8-31-89
Furniture and Equipment	$11,803,298	$3,699,696	$58,064	$15,444,930
Vehicles	30,754	--	--	30,754
	$11,834,052	$3,699,696	$58,064	$15,475,684

(Exh.I)

NOTE 3: Deposits

The Agency invests funds in a local bank account for travel advance and petty cash purposes. The Liquidation Division invests funds in a local bank for the Trustee Account, Abandoned Property Fund, Liquidator's Administrative Account, Payroll Account, General Expense Account, and Claims Clearing Account.

At August 31, 1989, the carrying amount of the Agency's deposits was $1,025,481 and the bank balance was $987,069.

Of the bank balance, $229,848 was covered by federal depository insurance and $757,221 was covered by collateral held by the pledging financial institution's trust department or agent in the Agency's name.

NOTE 4: Employees Compensable Leave

The Agency is liable for all unused vacation time accrued by its employees in the event of their resignation, dismissal or separation from state employment provided they have had continuous employment with the State for six months. In addition, the State must grant employees time off or pay employees at a rate of one and one-half times the regular rate of pay for any overtime worked. However, executive, administrative or professional employees are expressly limited to equivalent compensatory time off.

The liability of governmental fund types is recorded in the General Long-Term Debt Account Group.

The following is a summary of changes in employees' annual and compensatory leave balances:

Figure 87. Changes in Employees' Annual and Compensatory Leave Balances

	Annual Leave	FLSA & State Comp Time	TOTALS
Compensable Leave Hours (9-1-88)	142,808	38,373	181,181
Additions - Increases	164,808	117,795	282,603
Deductions - Decreases	(139,190)	(98,917)	(238,107)
Compensable Leave Hours (8-31-89)	168,426	57,251	225,677

The agency's monetary liabilities for compensable future absences as of August 31, 1989, as computed by multiplying the above ending balances by the year-end average hourly salary rate for all employees, were as follows:

Figure 88. The Board's Monetary Liability for Compensable Future Absences

	General Long-Term Debt Account Group
Annual Leave	$ 2,012,527
FLSA & State Comp. Time	684,086
Total (Exh. I)	$ 2,696,613

NOTE 5: Operating Lease Obligations

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

Special Revenue Funds	$ 4,099,921

Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31,	
1990	$ 2,102,211
1991	2,441,007
1992	140,661
1993	95,842
1994	95,842
1995	88,214
1996	40,090
Total Minimum Future Lease Rental Payments	$ 5,003,867

NOTE 6: Employees Retirement Plans

The State has joint contributory retirement plans for substantially all its of employees. The Agency participates in the plans administered by the Employees Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each state agency separately. Annual financial reports prepared by the System include audited financial statements and actuarial assumptions and conclusions.

The actuarial valuation of the Employees Retirement System as of August 31, 1988, reflects an overfunded actuarial accrued liability. When the system is overfunded, there is no amortization period for unfunded actuarial accrued liabilities. The contribution rates of employees (6%) and the State (7%) are set by the State Legislature.

Total payments by the State, related to this Agency for the year ended August 31, 1989, were $2,675,113.

NOTE 7: Deferred Compensation

At August 31, 1989, eighty-seven employees of the Agency were participating in the State's Deferred Compensation Program. This program allows employees to defer a portion of their monthly salary for income tax and investment purposes. During the 1989 fiscal year $263,803 was withheld from employees' salaries to be invested in approved plans as designated by the employee. The State has no additional or unfunded liability for this program.

NOTE 8: Interfund Receivables and Payables

As explained in Note 1 on Interfund Transactions and Balances there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as Due From or Due To Other Funds. Individual interfund receivable and payable balances at August 31, 1989 were as follows:

	Due From Other Funds	Due To Other Funds
Special Revenue:		
(Agency 302, Fund 036)	$	$ 8,923
(Agency 454, Fund 999)	25,500	25,500
Totals (Exh. I)	$ 25,500	$ 34,423

NOTE 9: Securities on Deposit

Article 3.16 of the Insurance Code requires any life insurance company incorporated under the laws of the State to deposit with the Board either securities or cash "equal to the legal reserve" on the company's outstanding registered policies and annuity bonds. The balance of these deposits at August 31, 1989, was $234,584,019. Currently all deposits are under the supervision of the Board's Director of Accounting and Tax Collection who maintains the securities either in physical form in bank deposit boxes or maintains custodial agreements with such securities in book entry form on deposit with a clearing corporation or safekeeping receipts as evidence of deposits with member banks of the Federal Reserve System. All additions or withdrawals in the deposits must be made at the insurance company's written request and are monitored for legality. Securities eligible for deposit include various types of bonds, certificates of deposit, certain types of stock, titles or deeds of property, and first-lien notes on real estate or personal property. These amounts do not appear on the financial statements presented herein.

The Insurance Code also requires insurance companies in various lines of insurance to have cash or eligible securities on deposit with an approved custodian as security for policyholders either under a Joint Control Agreement with the Board or maintained at the State Treasury. Life, Fire and Casualty, and Mutual Assessment Companies are required to deposit eligible securities in the State Treasury after receiving approval from the Commissioner of Insurance. Any changes in monies and/or securities deposited must also be approved by the State Board of Insurance. Article 7.15 of the Texas Ins. Code required Surety and Trust Companies to have an approved deposit with the Board. Although repealed in 1957 by the Fifty-fifth Legislature for new policies, deposits still must be maintained in those instances where a company has a possibility of outstanding claims or obligations. Lloyd's companies are required to deposit securities with an approved financial institution subject to joint control of attorney. Joint control of attorney requires that a joint control agreement be made between the company, the financial institution and the State Board of Insurance in which no change in deposits may be made without approval from all three parties. Eligible investments for deposits include various types of bonds, first-lien notes on real estate or personal property, certificates of deposits, and certain types of stocks. The joint control deposits and the deposits maintained in the State Treasury are supervised by a State Board of Insurance employee. Following is the market value of the deposits at August 31, 1989.

Figure 89. Market Value of the Deposits as of August 31, 1989:

Under Joint Control Agreement	$ 34,618,943
On Deposit in State Treasury	281,992,492
Total	$316,611,435

NOTE 10: Related Parties

Three non-profit guaranty associations - the Texas Property and Casualty, the Texas Life, Accident, Health and Hospital, and the Texas Title Guaranty Association - loan money to the various insurance companies in liquidation to pay for claims and administrative costs of the receiverships. If any money is left when a receivership is closed out, then the respective guaranty association is paid back. At August 31, 1989, the loans outstanding totalled $1,025,000. The associations' funds are administered by the State Board of Insurance under approval of the Secretary-Treasurer of the respective association.

The salaries and expenses of five employees of the State Board of Insurance who investigate title companies are reimbursed monthly by the Title Guaranty Fund.

NOTE 11: Stewardship, Compliance and Accountability

Exhibit III reflects a negative variance of $725 in the Life Insurance Regulation appropriation due to the expenditures exceeding the appropriation. The State Board of Insurance has the authority to transfer up to 10% between items of appropriation. In fiscal year 1990, a transfer will be made to offset this deficit.

NOTE 12: Contingent Liability

Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid to the employee only in case of illness or to the employee's estate in the event of his/her death while employed by the Board. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The Agency's policy is to recognize the cost of any sick leave when paid. No liability is recorded in the General Long-Term Debt Account Group since experience indicates the probability of a material effect on any given year's operations, as a result of death or abnormally high rate of illness, is minimal.

At August 31, 1989, there were 809 companies which had paid maintenance taxes, premium taxes, surtaxes and various other fees under protest and/or filed suits with the State Board of Insurance. Total protested deposits amounted to $341,814,488 of which $340,089,339 were on deposit in the State's Unappropriated General Revenue Fund, $777,025 in the Insurance Operating Fund and $948,124 in the Suspense Fund. The outcome of this litigation is indeterminate. Any refunds that may be ordered by the courts will be refunded from the fund of the original deposit.

NOTE 13: Continuance Subject To Review

On August 29, 1977, the Board became subject to the provisions of *S.B. 54, Acts of the 65th Legislature* titled the "Texas Sunset Act". The Agency will be abolished effective September 1, 1993, per *S.B. 265, Acts of the 71st Legislature* unless specifically continued by legislative action. If abolished, the agency may continue until September 1, 1994, to close out its operations.

Exhibit A-1 - Combining Balance Sheet - All Special Revenue Funds

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT A-1
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
August 31, 1989
(With comparative totals for August 31, 1988)

	INSURANCE BOARD OPERATING FUND (FUND 036)	DIVISION OF CONSUMER PROTECTION (FUND 001)	LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999)
ASSETS			
Cash and Temporary Investments:			
Cash on Hand	$ 500	$	$
Cash in Banks	200,000	5,500	19,623
Cash in State Treasury	14,492,608	933,377	
Receivables:			
Insurance Examination Fees Receivable	763,123		
Less-Allowance for Doubtful Accounts	(223,902)		
Interest and Dividends Receivable			121
Accounts Receivable	2,912		121,950
Due from Other Funds			15,500
Consumable Inventories	212,273		
Other Assets			10
TOTAL ASSETS	$15,447,514	$ 938,877	$ 157,204
LIABILITIES			
Payables:			
Accounts Payable	4,017,703	78,665	7,846
Due to Other Funds	8,923		25,000
Notes and Loans Payable			50,000
Funds Held in Custody For Others			
TOTAL LIABILITIES	4,026,626	78,665	82,846
FUND EQUITY			
Fund Balances:			
Reserved for -			
Petty Cash Funds	500	500	
Consumable Inventories	212,273		
Travel Advance Fund	200,000	5,000	
Encumbrances	1,087,301	17,027	
Unreserved - Undesignated -			
Available for Subsequent Years	9,920,814	837,685	74,358
TOTAL FUND EQUITY (EXH. A-2)	11,420,888	860,212	74,358
TOTAL LIABILITIES AND FUND EQUITY	$15,447,514	$ 938,877	$ 157,204

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

UNAUDITED

PAYROLL ACCOUNT (FUND 999)	GENERAL EXPENSE ACCOUNT (FUND 999)	CLAIMS CLEARING ACCOUNT (FUND 999)	TOTALS (EXH I) 1989	TOTALS 1988
$	$	$	$ 500	$ 1,377
462,617	312,058	585	1,000,383	834,933
			15,425,985	22,584,870
			763,123	627,488
			(223,902)	(188,321)
380	956	214	1,671	1,411
638,306	121,745		884,913	816,506
	10,000		25,500	115,407
			212,273	119,180
			10	10
$1,101,303	$ 444,759	$ 799	$18,090,456	$24,912,861
525,923	1,270	85	4,631,492	4,699,613
		500	34,423	347,109
575,000	400,000		1,025,000	975,000
			--	19
1,100,923	401,270	585	5,690,915	6,021,741
			1,000	1,000
			212,273	119,180
			205,000	200,000
			1,104,328	5,984,309
380	43,489	214	10,876,940	12,586,631
380	43,489	214	12,399,541	18,891,120
$1,101,303	$ 444,759	$ 799	$18,090,456	$24,912,861

Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
For the fiscal year ended August 31, 1989
(With comparative totals for the fiscal year ended August 31, 1988)

	INSURANCE BOARD OPERATING FUND (FUND 036)	DIVISION OF CONSUMER PROTECTION (FUND 001)	LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999)
REVENUES			
Taxes	$34,504,751	$ 948,962	
Licenses, Fees, and Permits	18,646,450		
Interest and Investment Income			1,561
Sales of Goods and Services	286,425		
Other Revenues	280,868	968	6,131
TOTAL REVENUES	53,718,494	949,930	7,692
EXPENDITURES			
Current Operating:			
Salaries and Wages	33,375,218	386,565	
Payroll Related Costs	8,275,205	90,237	
Professional Fees and Services	882,508	74,813	2,101
Travel	2,095,219	21,968	
Materials and Supplies	1,343,440	16,226	224
Communication and Utilities	995,097	12,395	2
Repairs and Maintenance	680,847	11,793	
Rentals and Leases	4,216,044	74,751	
Printing and Reproduction	69,490	685	
Claims and Judgements	185		
Other Operating Expenditures	2,817,901	77,840	
TOTAL CURRENT OPERATING EXPENDITURES	54,751,154	767,273	2,327
Capital Outlay and Debt Service:			
Purchases of Fixed Assets	3,530,227	71,461	19,528
Debt Service - Interest on Capital Leases			
TOTAL CAPITAL OUTLAY AND DEBT SERVICE	3,530,227	71,461	19,528
TOTAL EXPENDITURES	58,281,381	838,734	21,855
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(4,562,887)	111,196	(14,163)

UNAUDITED

PAYROLL ACCOUNT (FUND 999)	GENERAL EXPENSE ACCOUNT (FUND 999)	CLAIMS CLEARING ACCOUNT (FUND 999)	TOTALS (EXH II) 1989	TOTALS 1988
$	$	$	$35,453,713	$15,994,458
			18,646,450	22,978,347
5,560	12,270	2,532	21,923	24,373
			286,425	359,345
5,449,287	1,161,527		6,898,781	4,844,489
5,454,847	1,173,797	2,532	61,307,292	44,201,012
4,302,600	253,435		38,317,818	28,909,311
1,146,548	4,226		9,516,216	6,903,701
	69,145		1,028,567	471,062
	5,243		2,122,430	1,887,072
	49,052		1,408,942	1,058,758
	238,108		1,245,602	1,004,980
	2,807		695,447	556,624
	223,134		4,513,929	2,292,946
	5,617		75,792	143,370
			185	54,692
	308,982		3,204,723	2,680,747
5,449,148	1,159,749	--	62,129,651	45,963,263
			3,621,216	3,374,734
			--	45,349
--	--	--	3,621,216	3,420,083
5,449,148	1,159,749	--	65,750,867	49,383,346
5,699	14,048	2,532	(4,443,575)	(5,182,334)

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT A-2 (Concluded)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
For the fiscal year ended August 31, 1989
(With comparative totals for the fiscal year ended August 31, 1988)

	INSURANCE BOARD OPERATING FUND (FUND 036)	DIVISION OF CONSUMER PROTECTION (FUND 001)	LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Agency 454, Fund 999)			21,868
Operating Transfers Out			
(Agency 304, Fund 001)	(1,289,779)		
(Agency 303, Fund 001)	(589,569)		
(Agency 302, Fund 036)	(122,493)		
(Agency 454, Fund 999)			
(Agency 551, Fund 974)	(100,000)		
(Agency 304, Fund 062)	(45,694)		
Liquidation of Liabilities for Expenditures Previously Recorded			
Establishment of Petty Cash Fund			
Increase in Travel Advance Fund		5,000	
Net Change in Consumable Inventories	94,653		(1,560)
Adjustments to Assets and Liabilities			(179)
TOTAL OTHER FINANCING SOURCES (USES)	(2,052,882)	5,000	20,129
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(6,615,769)	116,196	5,966
FUND BALANCES - SEPTEMBER 1, 1988	18,036,657	744,016	68,392
FUND BALANCES - AUGUST 31, 1989 (EXH. A-1)	$11,420,888	$ 860,212	$ 74,358

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

UNAUDITED

PAYROLL ACCOUNT (FUND 999)	GENERAL EXPENSE ACCOUNT (FUND 999)	CLAIMS CLEARING ACCOUNT (FUND 999)	TOTALS (EXH II) 1989	TOTALS 1988
			21,868	24,689
			(1,289,779)	(1,289,779)
			(589,569)	(589,569)
			(122,493)	(115,404)
(5,661)	(12,270)	(2,320)	(20,251)	(23,532)
			(100,000)	--
			(45,694)	--
			--	(1,341,021)
			--	500
			5,000	135,000
			93,093	9,872
			(179)	3,067
(5,661)	(12,270)	(2,320)	(2,048,004)	(3,186,177)
38	1,778	212	(6,491,579)	(8,368,511)
342	41,711	2	18,891,120	27,259,631
$ 380	$ 43,489	$ 214	$12,399,541	$18,891,120

Exhibit B-1 - Combining Balance Sheet - Fiduciary Fund Types

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT B-1
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES
August 31, 1989
(With comparative totals for August 31, 1988)

	EXPENDABLE TRUST FUNDS	
	TRUSTEE ACCOUNT (FUND 999)	ABANDONED PROPERTY FUND (FUND 499)
ASSETS		
Cash and Temporary Investments:		
Cash in Banks	$ 5,864	$ 1,734
Cash in State Treasury		
Short Term Investments	17,500	
Receivables:		
Interest and Dividends Receivable	26	9
Loans and Contracts		1,198,412
Allowance for Collection		(1,198,412)
TOTAL ASSETS	$ 23,390	$ 1,743
LIABILITIES		
Unallocated and Undistributed Receipts		
Funds Held in Custody for Others		
TOTAL LIABILITIES	-	--
FUND EQUITY		
Unreserved - Undesignated - Other	23,390	1,743
TOTAL FUND EQUITY (EXH. B-2)	23,390	1,743
TOTAL LIABILITIES AND FUND EQUITY	$ 23,390	$ 1,743

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

UNAUDITED

AGENCY FUNDS		TOTALS	
DEPARTMENTAL SUSPENSE ACCOUNT (FUND 900)	UNCLAIMED DIVIDEND TRUST ACCOUNT (FUND 923)	(EXH I) 1989	1988
$	$	$ 7,598	$ 7,789
21,106,786	3,497	21,110,283	22,777,130
		17,500	17,500
		35	37
		1,198,412	1,210,413
		(1,198,412)	(1,210,413)
$21,106,786	$ 3,497	$21,135,416	$22,802,456
21,106,786		21,106,786	22,777,130
	3,497	3,497	--
21,106,786	3,497	21,110,283	22,777,130
		25,133	25,326
--	--	25,133	25,326
$ 21,106,786	$ 3,497	$21,135,416	$22,802,456

Exhibit B-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT B-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - EXPENDABLE TRUST FUNDS
For the fiscal year ended August 31, 1989
(With comparative totals for the fiscal year ended August 31, 1988)

	TRUSTEE ACCOUNT (FUND 999)	ABANDONED PROPERTY FUND (FUND 999)	TOTALS (EXH. II) 1989	TOTALS 1988
REVENUES				
Interest and Investment Income	$ 1,617	$ 91	$ 1,708	$ 1,883
Other Revenues			--	175
TOTAL REVENUES	1,617	91	1,708	2,058
OTHER FINANCING (USES)				
Operating Transfers Out: (Agency 454, Fund 999)	(1,617)		(1,617)	(1,157)
Advances to Receiverships			--	(36,000)
Adjustments to Assets and Liabilities	(284)		(284)	--
TOTAL OTHER FINANCING (USES)	(1,901)	--	(1,901)	(37,157)
EXCESS (DEFICIT) OF REVENUES OVER OTHER FINANCING USES	(284)	91	(193)	(35,099)
FUND BALANCES - BEGINNING OF YEAR	23,674	1,652	25,326	60,425
FUND BALANCES - END OF YEAR (EXH. B-1)	$ 23,390	$ 1,743	$ 25,133	$ 25,326

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Exhibit B-3 - Combining Statement of Changes in Assets and Liabilities - All Agency Funds

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT B-3
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the fiscal year ended August 31, 1989

	BALANCES - SEPTEMBER 1, 1988	ADDITIONS (EXH. B-4)	DEDUCTIONS (EXH. B-4)	BALANCES - AUGUST 31, 1989
DEPARTMENTAL SUSPENSE ACCOUNT				
ASSETS				
Cash	$ 22,777,130	$ 523,380,228	$ 525,050,572	$ 21,106,786
LIABILITIES				
Unallocated and Undistributed Receipts	$ 22,777,130	$ 523,380,228	$ 525,050,572	$ 21,106,786
EMPLOYEES' SAVINGS BOND ACCOUNT				
ASSETS				
Cash	$ --	$ 60,638	$ 60,638	$ --
LIABILITIES				
Funds Held in Custody for Others	$ --	$ 60,638	$ 60,638	$ --
UNCLAIMED DIVIDEND TRUST ACCOUNT				
ASSETS				
Cash	$ --	$ 3,497	$ --	$ 3,497
LIABILITIES				
Funds Held in Custody for Others	$ --	$ 3,497	$ --	$ 3,497
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash	$ 22,777,130	$ 523,444,363	$ 525,111,210	$ 21,110,283
LIABILITIES				
Unallocated and Undistributed Receipts	22,777,130	523,380,228	525,050,572	21,106,786
Funds Held in Custody for Others	--	64,135	60,638	3,497
TOTAL LIABILITIES	$ 22,777,130	$ 523,444,363	$ 525,111,210	$ 21,110,283

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Exhibit B-4 - Detail of Additions and Deductions - All Agency Funds

UNAUDITED

STATE BOARD OF INSURANCE (454)

EXHIBIT B-4
DETAIL OF ADDITIONS AND DEDUCTIONS -
ALL AGENCY FUNDS
For the fiscal year ended August 31, 1989

	DEPARTMENTAL SUSPENSE ACCOUNT (FUND 900)	EMPLOYEES' SAVINGS BOND ACCOUNT (FUND 901)	UNCLAIMED DIVIDEND TRUST ACCOUNT (FUND 923)	TOTALS
ADDITIONS:				
Suspense Account Deposits	$523,380,228	$	$	$523,380,228
Payroll Deductions		60,638		60,638
Unclaimed Dividends			3,497	3,497
TOTAL ADDITIONS (EXH. B-3)	$523,380,228	$ 60,638	$ 3,497	$523,444,363
DEDUCTIONS:				
Clearance to City -				
Sales Tax Trust Account	2,283			2,283
Mass Transit Authority Tax Trust Account	2,263			2,263
Clearance to State -				
Sales Tax Trust Account	13,598			13,598
Clearance to General Revenue Fund 001	470,793,883			470,793,883
Clearance to Insurance Board Operating Fund 036	53,086,059			53,086,059
Refunds to Remitters	661,281			661,281
Returned Checks	488,605			488,605
Transfer to Other Agencies	2,600			2,600
Purchase of Employees' Savings Bonds		60,638		60,638
TOTAL DEDUCTIONS (EXH. B-3)	$525,050,572	$ 60,638	$ ---	$525,111,210

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

ADDENDUM - General Comments

1. The Board consists of three full-time members appointed by the Governor with the advice and consent of the Senate. Members serve six-year over-lapping terms. Following are the members of the Board as of August 31, 1989, their expiration dates and annual salary rates:

Figure 90. Board Members: The Expiration Dates of their Terms of Office and Annual Salary Rates as of August 31, 1989

Name	Address (Texas)	Term Expires	Annual Salary Rate
Paul T. Wrotenbery, Chairman	Austin	1-31-95	$ 68,240 (A)
Richard F. Reynolds	Flower Mound	1-31-93 (B)	68,000
Jo Ann Howard	Austin	1-31-91 (B)	68,000

Note A: Includes annual longevity payments.

Note B: Richard F. Reynolds was appointed by the Governor to complete Edwin J. Smith Jr.'s term of office effective May 10, 1989. Jo Ann Howard was appointed by the Governor to complete David H. Thornberry's term of office effective July 19, 1989.

2. The State Board of Insurance's main offices are located in these state office buildings:

Figure 91. Location of the State Board of Insurance's Main Offices

Location (Austin)	Square Feet	Maintenance Cost per Square Foot per Month
1110 San Jacinto	70,730	.46
211 East 11th	36,074	.46

A transfer of $589,569 to the State Purchasing and General Services Commission was made during the year for maintenance and operation of these two buildings.

The Board also rents space at various times and locations for conducting agents' license examinations. Space is leased for other uses throughout the State as shown in Figure 92.

3. Board employees, Liquidation Activity employees, the Commissioner and Board members are bonded up to $10,000 each by a public employee blanket honesty bond issued by The Fidelity and Deposit Company. In accordance with Article 21.28, Section 12(a) of the Tex. Ins. Code, the Liquidator, Stephen Durish, is required to be covered by a $10,000 public official bond. As a result of an oral order of the 200th District Court, Travis County, on August 9, 1978, the bond of the Liquidator was increased to $200,000 effective September 1, 1978. This bond is issued by the AETNA Casualty and Surety Company.

Figure 92. Summary of Leased Space

Location (Texas)	Lessor	Use	Square Feet	Cost Per Sq Ft Per Month	Annual Rent (A)
Abilene	Bank Of Commerce	Fire Raters' Ofc.	190	1.00	$ 2,280
Amarillo	Greiner-Madison Partnership	Fire Raters' Ofc.	190	0.73	1,662
Angleton	Commerce Savings Assn.	Windstorm Ofc.	1,425	0.77	4,400
Angleton	Velasco Bldg. Partnership	Windstorm Ofc.	1,440	0.75	6,480
Arlington	Arlington Downs Tower	Examinations' Ofc.	900	0.68	7,216
Austin	Executive Bldg. Joint Venture	Office Space	5,350	1.00	85,688
Austin	Provident Nat'l Assurance Co.	Fire Marshal's Ofc.	2,000	0.60	3,319
Austin	MBank	Office Space	7,500	0.87	98,991
Austin	DPC, Inc.	Office Space	216,615	1.00	3,533,849
Austin	Powell-Houston Properties	Warehouse	15,000	0.20	36,000
Austin	Byron Properties	Liq. Warehouse	32,500	0.19	79,920
Austin	Austin Data Archives	Liq. Warehouse	36	0.25	24,355
Austin	MRealty Corporation	Liq. Warehouse	15,000	0.03	5,400
Bay City	Western Gulf S&L	Windstorm Ofc.	855	1.00	1,710
Bay City	D L Carroll II	Windstorm Ofc.	775	1.00	4,563
Bay City	George W. Glover	Windstorm Ofc.	3,250	0.49	6,400
Beaumont	W. E. Wilson Jr.	Fire Raters' Ofc.	350	0.65	2,730
Beaumont	Brandon Barron	Windstorm Ofc.	1,000	0.69	8,268
College Station	303 Anderson Co.	Fire Raters' Ofc.	140	0.71	1,200
Corpus Christi	Gulftex Ventures Inc.	Fire Marshal's Ofc.	800	0.75	7,111
Corpus Christi	G L Mathieu	Fire Raters' Ofc.	290	0.86	2,905
Corpus Christi	ARC-Wilson Associates	Windstorm Ofc.	2,407	0.78	22,530
Dallas	Western Gulf S&L	Fire Raters' Ofc.	720	1.71	8,701
Duncanville	Leonard B. Carpenter	Fire Marshal's Ofc.	1,621	0.93	17,993
El Paso	The Koger Company	Fire Raters' Ofc.	180	1.14	2,467
Fort Worth	B. H. & S. & K.	Fire Raters' Ofc.	559	0.95	6,350
Galveston	United States Nat'l Bank	Windstorm Ofc.	2,735	1.02	36,225
Harlingen	M.H. & G.L. Sondock	Fire Raters' Ofc.	320	0.41	1,560
Harlingen	Valley Mortgage	Windstorm Ofc.	1,375	0.62	10,212
Houston	WPI 88 Partners, Ltd	Examinations' Ofc.	700	0.65	5,460
Houston	Lamesa Properties, Ltd.	Fire Raters' Ofc.	977	0.79	9,208
Lubbock	Sentry Savings Assn.	Fire Marshal's Ofc.	800	0.68	6,521
Lubbock	Sentry Savings Assn.	Fire Raters' Ofc.	400	0.83	4,000
Lufkin	Berta W. Gann	Fire Marshal's Ofc.	980	0.56	6,008
Midland	Innson Corp.	Fire Raters' Ofc.	490	0.61	4,227
Port Lavaca	W.S.P. Constr. Co., Inc.	Windstorm Ofc.	550	1.00	1,100
Port Lavaca	Drs. Horine & Griffin	Windstorm Ofc.	550	1.06	3,498
San Angelo	Elizabeth Schneemann	Windstorm Ofc.	250	0.47	1,404
San Antonio	Trio Partners, Ltd.	Examinations' Ofc.	700	0.71	4,500
San Antonio	Greater San Antonio Builders Assn.	Agents' License Ofc.	2,200	0.05	1,200
San Antonio	Carl Duncan	Fire Raters' Ofc.	520	0.90	5,616
Sherman	Greater Texoma Corp.	Fire Raters' Ofc.	285	0.85	2,907
Texarkana	Annabelle Chasteen	Fire Raters' Ofc.	170	0.88	1,800
Tyler	Tyler National Bank	Fire Raters' Ofc.	500	0.60	3,600
Victoria	R & B Properties	Fire Raters' Ofc.	185	1.54	3,420
Waco	Stephen P. Hill	Fire Raters' Ofc.	450	0.70	3,761
Wichita Falls	H. J. Marks et al	Fire Raters' Ofc.	150	0.67	1,206
TOTALS			326,380		$4,099,921

(A) Shows actual amount paid which may or may not be for a full 12 months.

Schedule 1 - Summary of Professional Fees and Services

UNAUDITED

STATE BOARD OF INSURANCE (454)

SCHEDULE 1
SUMMARY OF PROFESSIONAL FEES AND SERVICES
For the fiscal year ended August 31, 1989

PAYEE	DESCRIPTION	AMOUNT
Adams, James	Special Investigation	$ 50,000
AIS Risk Consultants	Actuarial Analysis	37,358
Analytic Services, Inc.	Expert Witness	9,971
Armstrong Forensic Lab	Forensic Lab Work	265
Arthur Andersen & Co.	Study of Complaints and Enforcement	160,000
Arthur Young & Co.	Tax Accounting	2,977
Attorney General's Office	Legal Services	81,670
Austin Cablevision	Video Tape Production	1,130
Blazier & Rutland	Legal Services	490
Colville, William	Report Production	2,600
Consulting Financial Examinations, Inc.	Expert Witness	1,165
Coopers & Lybrand	Study of Financial Oversight and Early Warning Sysem	187,730
C. A. Miller Associates, Inc.	Financial Analysis Training	6,979
Davis, Welch, Eubank & Otto	Legal Services	1,857
Douglass Consulting Service	Study of Data Processing Conversion	3,500
Employee Assistance Center	Employee Counseling Services	9,999
Ernst & Whinney	Audit & Financial Accounting Services	41,818
Fleming, Jerry, P.E.	Engineering Design	4,800
Harvey, Richard H.	Travel - re: special investigation	633
Institute of Internal Auditors	Conduct Seminar on Fraud	300
Jansey, Ted	Finanical Analysis Training	396
Lowry, William T., PhD., Inc.	Expert Witness	62
Manatt, Phelps, Rothenberg & Phillips	Legal Services	14,332
McCanish, Martin, Brown & Loeffler	Legal Services	4,452
Milliman & Robertson, Inc.	Actuarial Analysis & Training	20,454
Morris Information Systems, Inc.	Computer Programming Services	59,283
Nicol, William K.	Financial Analysis	1,617
Pansophic Systems	Software Training	4,000
Peat Marwick Mitchell & Co.	Tax Accounting	25,678
Quirk, Robert C.	Legal Services	5,435
Rubinstein & Perry	Legal Services	28,177
S & F Consultants, Inc.	Computer Programming Services	36,722
Streiff, Conn & Assoc	Financial Analysis Training	21,561
Tech. Advisory Services, Inc.	Expert Witness	4,519
Texas Commission on Human Rights	EEO Compliance Training Seminar	1,600
Texas Dept. of Public Safety	Assist in Special Investigation	7,365
The Hyatt Company	Actuarial Analysis	19,000
Touche Ross	Actuarial Services	38,414
Touche Ross	Study of Administration	121,460
Waring, Colleen G.	Report Editing	3,314
White, Dolce, & Barr	Computer Room Design	4,098
White, Roy	Accounting Services	786
Xscribe Corporation	Training of Vertical Computer System	600
TOTAL PROFESSIONAL FEES AND SERVICES (Exh. II)		$ 1,028,567

Schedule 2 - Summary of Revenues

UNAUDITED

STATE BOARD OF INSURANCE (454)

SCHEDULE 2
SUMMARY OF REVENUES
For the fiscal year ended August 31, 1989

TAXES	AMOUNT
Fund 036 - Motor Vehicle Maintenance Tax	$ 3,121,130
Fund 036 - Fire Maintenance Tax	15,951,808
Fund 036 - Workers' Compensation Maintenance Tax	4,610,842
Fund 036 - Casualty Maintenance Tax	5,298,626
Fund 036 - Title Maintenance Tax	454,511
Fund 036 - Life Maintenance Tax	3,458,953
Fund 036 - Third Party Administrator Maintenance Tax	338,842
Fund 036 - Health Maintenance Organization Maintenance Tax	1,269,951
Fund 036 - Burial Annual Association Assessment	88
Fund 001 - Workers Compensation Premium Tax - I.A.B.	18,866,913
Fund 001 - Premium Taxes (Sch. 2A)	424,478,092
Fund 001 - Surtax (Sch. 2A)	25,331,889
Fund 001 - Administrative Services Tax	775,302
Fund 001 - Consumer Protection Assessment	948,962
Fund 001 - State Sales Tax	13,598
Fund 961 - City Sales Tax	2,283
Fund 964 - City Mass Transit Tax	2,263
TOTAL TAXES	504,924,053

LICENSE, FEES, AND PERMITS	
Fund 001 - Penalty In Lieu of Suspension/Cancellation	221,525
Fund 036 - Catastrophic Pool Inspection Fees	256,570
Fund 036 - Filing Fees - Life	631,593
Fund 036 - Domestic Valuation Fees - Life	2,156,302
Fund 036 - Retaliatory Fees - Life	107,543
Fund 036 - Filing Fees - Property and Casualty	244,255
Fund 036 - Retaliatory Fees - Property and Casualty	66,794
Fund 036 - License and Exam Fees - Insurance Adjustors	285,066
Fund 036 - License and Exam Fees - Life and A & H Agents	3,204,970
Fund 036 - License and Exam Fees - Variable Annuity Agents	166,728
Fund 036 - License and Exam Fees - Life Insurance Counselors	855
Fund 036 - License Fees - Recording Agents	629,512
Fund 036 - License Fees - Solicitors	68,605
Fund 036 - License Fees - Nonresident Property and Casualty Agents	42,992
Fund 036 - License and Exam Fees - Surplus Lines Agents	3,815
Fund 036 - License Fees - Title Agents	14,658
Fund 036 - License Fees - Escrow Agents	56,208
Fund 036 - License Fees - Managing General Agents	12,070
Fund 036 - License and Exam Fees - Health Maintenance Organizations	28,770
Fund 036 - License and Exam Fees - Prepaid Legal Agents	40,601
Fund 036 - License and Exam Fees - Risk Managers	8,925
Fund 036 - Agents Certification and Clearance Letters	39,151
Fund 036 - Filing Fees - Third Party Administrators	56,080
Fund 036 - Filing Fees - Foreign Risk Retention & Purchasing Groups	32,860
Fund 036 - Examination Fees - Salaries and Travel Expense	2,484,692
Fund 036 - Examination Fees - Overhead Assessment	5,769,988
Fund 036 - Examination Fees - Market Conduct	286,488
Fund 036 - Examination Fees - HMO Audits	18,533
Fund 036 - Filing Fees - Policy Approval	900,620
Fund 036 - Filing Fees - Health Maintenance Organizations	115,475
Fund 036 - Filing Fees - Prepaid Legal	4,030
Fund 036 - Filing Fees - Insurance Premium Finance	98,827
Fund 036 - Examination and Audit Fees - Insurance Premium Finance	145,486
Fund 036 - Filing Fees - Continuing Care Facilities	20,766
Fund 036 - Amusement Ride Safety Inspections	23,501
Fund 036 - License Fees - Fireworks	102,050
Fund 036 - License and Exam Fees - Fire Extinguisher	128,101
Fund 036 - License and Exam Fees - Fire Alarm	177,165
Fund 036 - License and Exam Fees - Sprinkler Systems	217,805
TOTAL LICENSES, FEES, AND PERMITS	18,867,975

UNAUDITED

STATE BOARD OF INSURANCE (454)

SCHEDULE 2 (Concluded)
SUMMARY OF REVENUES
For the fiscal year ended August 31, 1989

	AMOUNT
INTEREST INCOME	
Fund 001 - Interest on Local Deposits	4,663
Fund 001 - Interest - Other (Surplus Lines Premium Tax)	37,129
TOTAL INTEREST INCOME	41,792
SALES OF GOODS AND SERVICES	
Fund 036 - Sale of Lists, Bulletins, Rating Data, etc.	182,812
Fund 036 - Sale of Computer Lists, Labels or Tapes	41,236
Fund 036 - Miscellaneous Other Sales	61,705
Fund 036 - Sale of Supplies and Services	672
TOTAL SALES OF GOODS AND SERVICES	286,425
OTHER REVENUES	
Fund 001 - Workers' Compensation Repayment	104,297
Fund 001 - Unemployment Benefit Repayment	21,086
Fund 001 - Warrants Voided By Statute of Limitations	21,632
Fund 001 - Other Miscellaneous Governmental Revenue	5,159
Fund 001 - Reimbursements - Third Party	968
Fund 001 - Sales Tax Discounts	3
Fund 036 - Warrants Voided By Statute of Limitations	251
Fund 036 - Reimbursements - Third Party	280,617
TOTAL OTHER REVENUES	434,013
TOTAL REVENUES	$ 524,554,258

Schedule 2A - Summary of Premium and Surtaxes Collected

UNAUDITED

STATE BOARD OF INSURANCE (454)

SCHEDULE 2A
SUMMARY OF PREMIUM AND SURTAXES COLLECTED
For the fiscal year ended August 31, 1989

COMPANIES/SOURCES	PREMIUM TAX AMOUNT (FUND 001)	SURTAX AMOUNT (FUND 001)
Occupation Tax, Penalty and Interest	$ 530,147	$
Domestic Life	14,506,906	964,705
Foreign Life	146,221,291	4,637,711
Foreign Life - Article 3.25	10,100	
Domestic Stock Fire	210,289	27,662
Foreign Stock Fire	9,438	1,704
Domestic Mutual Fire and/or Casualty	4,392,778	299,969
Foreign Mutual Fire and/or Casualty	24,796,809	369,052
Domestic Stock Fire and/or Casualty	20,681,455	2,289,898
Foreign Stock Fire and/or Casualty	91,068,916	6,949,037
Domestic Stock Casualty	141,390	15,291
Foreign Stock Casualty	3,089,705	117,057
Mexican Casualty	136,452	1,880
Domestic Lloyds	10,840,534	957,195
Foreign Lloyds	(15,645)	8,343
Domestic Reciprocals	3,143,183	489,230
Foreign Reciprocals	2,113,920	208,837
Domestic Title	1,697,971	102,485
Foreign Title	2,649,995	154,929
Mutual Assessment Life, Health and Accident	7,773	628
County Mutual Fire and Casualty	9,819,138	621,038
Surplus Lines Premium Tax	35,752,736	6,546,258
Retaliatory Tax	32,313,656	
Unauthorized Insurance Premium Tax	78,344	
Stipulated Premium	1,071,787	28,190
Nonprofit Corporations	4,587,446	
Domestic Health Maintenance Organizations	11,234,227	63,220
Domestic Retention Group	80,544	8,126
Foreign Retention Group	773,319	43,678
Purchasing Group	73,551	12,176
Independently Procured Insurance	2,459,937	413,590
TOTAL	$424,478,092 (A) (Sch. 2)	$ 25,331,889 (Sch. 2)

Note A: This amount represents gross premium taxes and does not reflect any refunds processed by the Comptroller of Public Accounts.

Schedule 2B - Comparative Statement of Revenues

UNAUDITED

STATE BOARD OF INSURANCE (454)

SCHEDULE 2B
COMPARATIVE STATEMENT OF REVENUES
1980-1989

FISCAL YEAR	TAXES COLLECTED	LICENSE & FEES COLLECTED	OTHER REVENUES	TOTAL
1980	$ 176,117,116	$ 9,272,428	$ 236,897	$ 185,626,441
1981	189,178,884	8,452,077	387,441	198,018,402
1982	204,015,832	9,817,775	378,127	214,211,734
1983	219,816,984	10,915,137	409,365	231,141,486
1984	363,666,816	12,920,157	503,863	377,090,836
1985	367,490,438	13,444,339	664,406	381,599,183
1986	412,021,788	15,472,796	504,000	427,998,584
1987	421,763,856	18,223,760	994,118	440,981,734
1988	568,044,203	23,270,176	511,123	591,825,502
1989	504,924,053	18,867,975	762,230	524,554,258